Sector: Pharmaceuticals **RESULT REVIEW Q3FY26** **Declared On: 05 Feb 2026**

FDC Limited

RECOMMENDATION SNAPSHOT				
***CMP**	**MCap (Rsbn)**	**Recommendation**	**Target**	**Potential Upside**
Rs369	**60.0**	**Accumulate**	**Rs430**	**17%**

**as on 06th Feb, 2026*

About the Company:

Promoted as a partnership firm in 1936 by Late Anand Chandavarkar in order to import pharmaceutical dosage forms, specialised infant foods and surgical appliances for distribution in India. In 1940, this partnership was converted into a private limited company-Fairdeal Corporation (P) Ltd and later renamed it as FDC Limited in 1986. FDC is a fully integrated, research-oriented pharmaceutical company engaged in the manufacturing and marketing of Formulations and APIs. FDCs formulation department designs and develops products for various global markets as well as the highly regulated markets of US and Europe. The company has a diversified portfolio of products with presence in various therapeutic areas of focus such as ORS, anti-infectives, GI, ophthalmologicals, vitamins/minerals/dietary supplements, cardiac, anti-diabetes, respiratory, gynaecology, dermatology and analgesics. FDC has a wide presence to service the markets for more than 300 products in India and exports many of these to over 50 countries.

Results: Quick Glance:

- The net sales reported a flat growth of 0.1% to Rs4,647mn as compared to Rs4,641mn in the same quarter last year
- The Ebitda margins for the quarter under review stood at 11.2% as compared to 10.1% in the comparative quarter last year
- The company reported profit of Rs283mn as compared to Rs370mn in the same quarter last year
- The EPS for the quarter stood at Rs1.74 as compared to Rs2.28 in the corresponding period of last year
- For 9MFY26, the revenues came in at Rs15,861mn as compared to Rs16,162mn; degrowth of 1.9% while the PAT stood at Rs1,780mn as against Rs2,281mn. The EPS came in at Rs10.93 as against Rs14.02 in 9MFY25
- The Board approved an interim dividend of Rs5 per equity share of FV of Rs1 per equity share for FY26

Other Highlights:

- **Indian markets:** Sale of branded formulations came in at Rs3,690mn; drop of 5.2% on a y-o-y basis. For 9MFY26, the overall sales stood at Rs13,290mn; drop of ~2.5% on a y-o-y basis. The overall domestic formulations contribution stood at ~80% of the total consolidated sales in Q3FY26 and ~84% in 9MFY26. As per secondary sales data by IQVIA for MAT Dec'25, the company delivered y-o-y growth of 4.8%. The company's flagship brand, Electral has moved up to 18th rank in IPM in MAT Dec'25 as compared to 20th rank in the same period last year
- **Exports formulations and API:** Formulation sales in the export market came in at Rs710mn in Q3FY26, growth of 55.0% on a y-o-y basis. For 9MFY26, the total export formulation sales stood at Rs1,720mn; reporting a growth of ~3.8% on a y-o-y basis. The export formulations contribution to consolidates sales stands at ~15.2% in Q3FY26. During the quarter, the company received an USFDA approval for Pilocarpine Ophthalmic Solution 1/2/4% strengthening FDC's ophthalmic portfolio and reinforcing its commitment to expanding its presence in the regulated markets. The API business reported sales of Rs230mn in Q3FY26, drop of 17.0% on a y-o-y basis and accounted for 5.0% of total consolidated sales. In 9MFY26, the sales de-grew by ~3.2% on a y-o-y basis at Rs790mn

Financials:

Performance (Q3FY26)									
Q3FY26 Result (Rs mn)	**Dec-25**	**Dec-24**	**y-o-y**	**Sept-25**	**q-o-q**	**9MFY26**	**9MFY25**	**y-o-y**	**FY26E**
Total Revenue	4647	4641	0.1%	4730	(1.8%)	15861	16162	(1.9%)	20636
EBITDA	523	467	12.1%	338	54.6%	2264	2688	(15.8%)	2889
Other Income	208	188	10.5%	206	0.9%	769	766	0.5%	936
Interest	11	9	18.2%	12	(2.8%)	34	33	3.7%	46
Depreciation	148	134	10.7%	152	(2.7%)	449	382	17.6%	601
Exceptional Items	208	0	-	0	-	208	0	-	208
Tax	81	141	(42.8%)	97	(16.8%)	562	758	(25.8%)	826
Net Profit	**283**	**370**	**(23.6%)**	**284**	**(0.2%)**	**1780**	**2281**	**(22.0%)**	**2143**

Outlook and Recommendations:

The company has reported an overall flat performance across the topline and profitability for the quarter as well as 9MFY26. The revenues reported a marginal uptick of ~0.1% in Q3FY26. The domestic formulations business that accounts for major portion of the overall consolidated sales registered a drop of 5.2% on a y-o-y basis in Q3FY26 and 2.5% in 9MFY26. The reason for the decline was attributed to lower sales from the company's top portfolio basket viz; Zifi, Enerzal and Electral. However, considering the legacy brand, Electral continues to strengthen its market positioning and enhanced its rank in the IPM to 18th as against 20th in Q3FY25. As far as the US business is concerned; US formulations sales stood strong with revenues earned at Rs250mn for the quarter under review. The business is showcasing steady recovery (which are well reflected in the numbers) with the earlier challenges been largely addressed. In 9MFY26, supplies stood at Rs430mn; growth of ~82.8% on a y-o-y basis; attributed to improved execution and demand momentum. Overall, the US business reported growth of ~2.1% on a y-o-y basis for 9MFY26 this was despite a lower profit share (impacted due to recall) from the US partners. Excluding this recall impact; the underlying performance of the US business remains strong and on an improving trajectory. The export formulations contribution stood at ~15.2% for the quarter under review with an overall sales growth of ~55.0%. This business too has shown consistent improvement over the past couple of quarters led by improved supplies and better execution across the focused markets. The API business reported sales of Rs230mn in Q3FY26, drop of 17.0% on a y-o-y basis. Despite a flat topline, gross margin have shown an improvement on a y-o-y basis and stood at ~67.4% in Q3FY26 backed by drop in the RM costs and the purchase of stock in trade. The Ebitda margins for the quarter stood at ~11.2%; improvement witnessed both sequentially as well as on a y-o-y basis. The other income is inclusive of Rs250.8mn as a fair value gain recognised by the parent company. The overall drop at the PAT level of 23.6% was primarily due to the impact of changes in labour code amounting to Rs207.8mn; adjusting for which PAT growth would have been at 32.5%. With continued focus on the domestic markets, FDC is working towards expanding its footprint in the international markets as well. The company continues with its conscious efforts to increase the market share for Electral brand despite facing challenges from certain unorganised players in the market (look-alike packaging). The future high growth areas for the company are aligned towards the energy drinks, growth in ORS, cardiovascular while at the same time working on new product introductions in the anti-diabetic space. The company is also working towards enhancing its share in the chronic space but anticipates immense opportunities in the acute therapy in the medium to long-term. FDC has always maintained the strategy of not getting into newer brands but rather work on line-extensions. This is validated with the fact that flagship brands continue to be consistent category leaders and have multiple SKUs which would drive consistent growth in the near term. Backed by all these fundamental rationales we continue to remain positive on the stock and maintain an accumulate for a revised target of Rs430.

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