

RECOMMENDATION SNAPSHOT				
*CMP	Target	Potential Upside	MCap (Rsbn)	Recommendation
Rs377	Rs450	19%	61.3	Accumulate

*as on 28th Oct, 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, ophthalmological, vitamins/minerals/dietary supplements, cardiac, anti-diabetes, respiratory, gynecology, 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 for the quarter reported a growth of 21.0% to Rs5721mn as compared to Rs4730mn in Q2FY26
- The Ebitda margins for the quarter under review stood at 11.2% as compared to 7.1% in Q2FY26
- The company reported profit of Rs491mn as compared to Rs284mn in the same quarter last year
- The EPS for the quarter stood at Rs3.01 as compared to Rs1.75 in the corresponding period of last year
- For H1FY27, the revenues came in at Rs12,398mn as compared to Rs11,214mn; growth of 10.6% while the PAT stood at Rs1816mn as against Rs1497mn. The EPS came in at Rs11.15 as against Rs9.20 in H1FY26
- The Board has approved a proposal of buy-back its 24,00,000 fully paid-up equity shares at a price of Rs500 per equity shares for an aggregate amount not exceeding Rs1200mn

Other Highlights:

- FDC was the fastest-growing company among the top 25 corporates in IPM in Q2FY27 (Source: IQVIA Sep'26)
- **Indian markets:** Sale of branded formulations came in at Rs4,670mn; growth of 23.5% on a y-o-y basis. The recovery was led by the company's flagship brands. Electral and Enerzal continued their strong performance, while Zifi overcame the challenges of earlier quarters to grow. The overall domestic formulations contribution stood at ~84% of the total consolidated sales in H1FY27. As per secondary sales data by IQVIA for MAT Sept 2026, the company delivered y-o-y growth of 21.4% for the quarter under review
- **Exports formulations and API:** Formulation sales in the export market came in at Rs750mn in Q2FY27, growth of 28.5% on a y-o-y basis. The export formulations contribution to consolidates sales stands at ~12% in Q2FY27. The API business reported sales of Rs280mn in Q2FY27, decline of 4.8% on a y-o-y basis and accounted for 4% of total consolidated sales

Financials:

Performance (Q2FY27)									
Q2FY27 Result (Rs mn)	Sept-26	Sept-25	y-o-y	Jun-26	q-o-q	H1FY27	H1FY26	y-o-y	FY27E
Total Revenue	5721	4730	21.0%	6677	(14.3%)	12398	11214	10.6%	25059
EBITDA	643	338	90.2%	1430	(55.0%)	2096	1756	19.4%	3784
Other Income	179	206	(13.0%)	477	(62.4%)	633	547	15.7%	1153
Interest	8	12	(27.0%)	8	1.2%	17	23	(28.0%)	50
Depreciation	160	152	5.1%	151	5.6%	311	301	3.3%	631
Exceptional Items	0	0	-	0	-	0	0	-	0
Tax	164	97	68.2%	422	(61.3%)	586	481	21.6%	1013
Net Profit	491	284	72.9%	1325	(63.0%)	1816	1497	21.3%	3243

Outlook and Recommendations:

The company has reported revenue growth of 21% y-o-y led by recovery in domestic formulations and continued growth in international formulations. The quarter performance has offset the soft start to the year. The **domestic** business has reported a strong comeback of its flagship brand, reporting growth of 23.5% y-o-y. **US sales** have also been strong for the quarter, coupled with a slight dip in the **non-US international** sales for the quarter under reference. **API** segment which accounted for 4% of the consolidated sales has reported a drop of 4.8% during the quarter due to lower sales of a key molecule. The Ebitda margins have come in at 11.2% for the quarter; an improvement highlighting the operating leverage through better cost control or a favourable product mix during the quarter. The company has been working towards expanding its footprint in the international market while sustaining its focus towards the domestic markets. The company has witnessed an improved performance for the US markets while the South African markets continues to remain strong. The Management would continue to focus on the **international formulations** market across different geographies with a vision to grow the revenues in this business segment as well. The company has filed for 2 products in Mexico where the Management expects the commercial stages for these products to take place over the next ~1-2 years after the requisite approval is received. With regard to **API business**, the Management would work on increasing the product portfolio; while there are several products (peptides, advanced complex ophthal and anti-diabetics as well as biosimilars) already under different developmental stages. Over the next ~3-5 years, the company would invest in formulations and the API business.

The company continues with its conscious effort to increase the market share for Electral brand. The company continues to remain debt free as of Sept'26. The Board has approved Rs1,200mn buyback of upto 24 lakh shares at Rs500/share (date of eligibility is 13th Nov'26). 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. The Management would continue to evaluate suitable options to deploy **surplus cash** both via organic as well as inorganic route. 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 Rs450.

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