

Result Update

Q1 FY26

JB Chemicals & Pharmaceuticals Ltd.

Institutional
Research

Domestic formulation continues to deliver strong growth

Result Highlights

JB Chemicals and Pharmaceuticals Ltd. reported revenue growth of 8.9% YoY / up 15.2% QoQ to Rs. 10,939 mn. The domestic business recorded 14% annual growth, outperforming IPM, which grew at 9%. Price hikes contributed ~7% to this growth, with the remaining from volume and new product contributions. The company's volume growth stood at 4%+, vs the market's 1.5%, reflecting strong traction in key brands. The CDMO segment saw consistent performance with a quarterly run rate of around Rs. 1,200 mn. The company launched and exported new products such as iodine liquid throat spray and immunity lozenges to the Asia Pacific and EU markets. EBITDA increased 7.3% YoY / up 32.9% QoQ to Rs. 3,009 mn, while EBITDA margin stood at 27.5% (up 365 QoQ) in Q1FY26, owing to an expansion in gross margins by 215 bps QoQ to 68.3%. driven by price growth, cost optimization, and favorable business mix. Profit after Tax stood at Rs. 2,024 mn (up 14.4% YoY / up 38.9% QoQ) in Q1FY26, while the PAT margin came at 18.5% versus 15.3% in the previous quarter. Torrent Pharma announced plans to acquire a controlling stake from KKR in J.B. Pharma, followed by a merger, creating a diversified healthcare platform.

Valuation and Outlook:

JB Chemicals continues to deliver strong operational performance, supported by robust domestic growth, margin expansion, and disciplined cost management. The company's focus on branded formulations, especially in high-growth therapeutic areas like ophthalmology and gastrointestinal, positions it well to sustain above-industry growth rates. The CDMO business is gaining traction with new product launches and increasing global demand, while upcoming ROW product approvals are set to drive the next leg of international expansion starting FY27. In the US market, JB Chemicals faced mild pricing pressure on two key molecules during the quarter. However, management indicated that these pressures are expected to normalize in the coming quarters, and no structural pricing issues were highlighted. Management has guided for 12–14% growth in both domestic and CDMO segments, with targeted gross margins of 67% and operating EBITDA margins of 27–29%, aiming for the upper end. The acquisition by Torrent Pharma adds strategic synergies and scale benefits in the long term. With leadership in niche segments, improving operating metrics, and a steady pipeline of launches, the company remains well-placed for consistent growth in the upcoming quarters.

Key Highlights

Particulars (Rs. mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Net Sales	10,939	10,044	8.9%	9,495	15.2%
Gross profit	7,468	6,647	12.4%	6,278	19.0%
Gross margin (%)	68.3%	66.2%	210bps	66.1%	215bps
EBITDA	3,009	2,804	7.3%	2,264	32.9%
OPM (%)	27.5%	27.9%	-41bps	23.8%	365bps
Adj. PAT	2,024	1,768	14.4%	1,457	38.9%
PAT Margin (%)	18.5%	17.6%	89bps	15.3%	316bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	1,738
BSE code	506943
NSE Symbol	JBCHEM-PHARM
Bloomberg	JBCP IN
Reuters	JBCH:BO

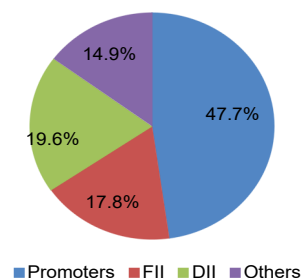
Key Data

Nifty	24,565
52 Week H/L (Rs.)	2,030 / 1,386
O/s Shares (Mn)	155
Market Cap (Rs. bn)	272
Face Value (Rs.)	1

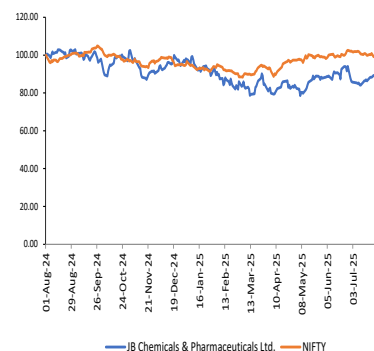
Average Volume

3 months	305,350
6 months	329,660
1 year	263,540

Share Holding (%)



Relative Price Chart



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Key Concall Highlights

Domestic Business Outlook:

The company remains confident in sustaining strong momentum in its domestic formulations business, guided to grow at 12–14% YoY, consistently outperforming the Indian pharmaceutical market. This growth will be driven by a combination of price hikes, volume gains, and new product introductions. Brand performance remains robust, with key brands like Sporolac entering the top 300 and Silnadipin breaking into the top 100 nationally. The company has also maintained a stable field force and continues to invest in MR's and market reach.

International Business:

JB Chemicals' international business is poised for a strong growth trajectory, supported by both its CDMO operations and formulation exports across ROW and regulated markets. Meanwhile, in the US market, while there was minor pricing pressure on a couple of molecules during the quarter, management expects normalization ahead, indicating no significant disruption. With an expanding pipeline, new launches, and growing demand in key geographies, JB Chemicals' international business is well-positioned to be a major growth lever in the medium to long term.

Ophthalmology Portfolio:

The company ophthalmology portfolio continues to be one of its fastest-growing therapeutic areas, reflecting strong brand traction and strategic focus. The company currently holds the 6th position in the domestic ophthalmology space and has outlined clear aspirations to enter the top 5 rankings within the next 9–12 months. This growth is being driven by strong brand equity, increased prescriber coverage, and focused marketing efforts. The company plans to further strengthen its portfolio through key brands and deepening market coverage.

MR Productivity:

The company has maintained a stable and efficient Medical Representative (MR) workforce, with no significant expansion during the quarter. In specialized segments like ophthalmology, where JB maintains a dedicated team of 105 MRs covering 14,000 ophthalmologists, field execution remains highly effective. Going forward, the company aims to sustain this high MR productivity through better analytics, training, and brand strategy alignment.

Cost Optimization Initiatives:

The company is also undertaking multiple cost optimization initiatives, focusing on manufacturing efficiencies and operational improvements. These efforts are expected to support margin expansion, driven by a better product mix and increased in-house production capabilities.

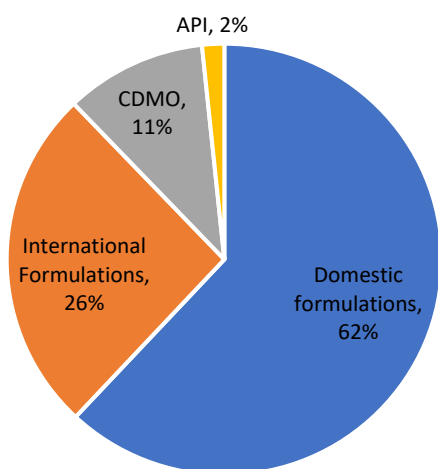
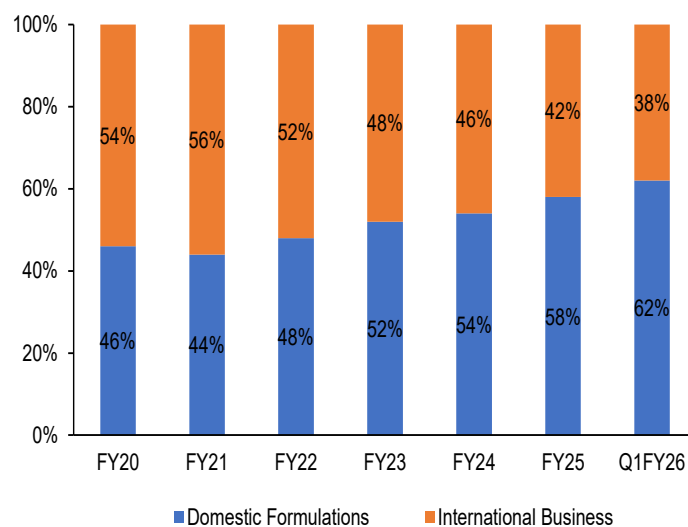
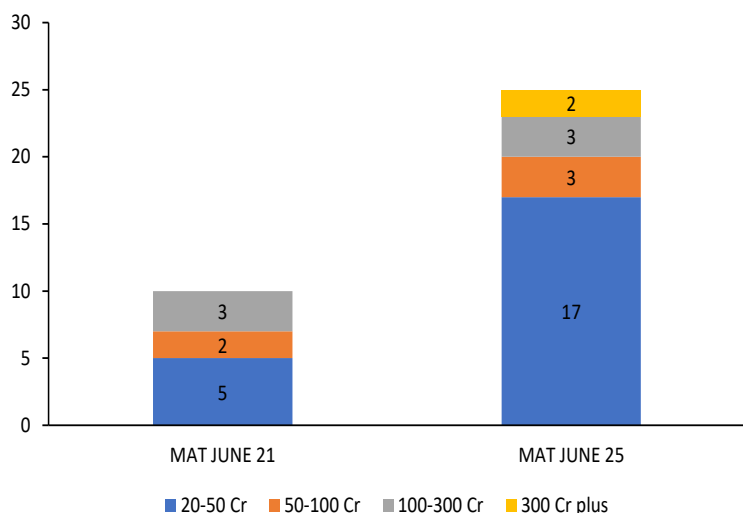
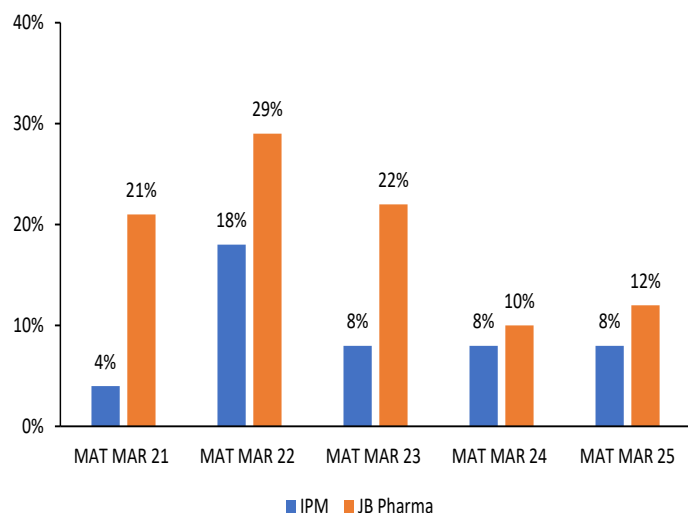
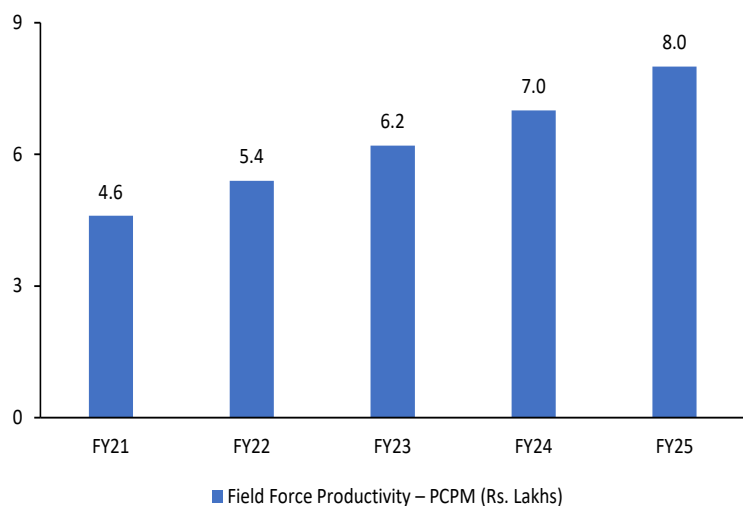
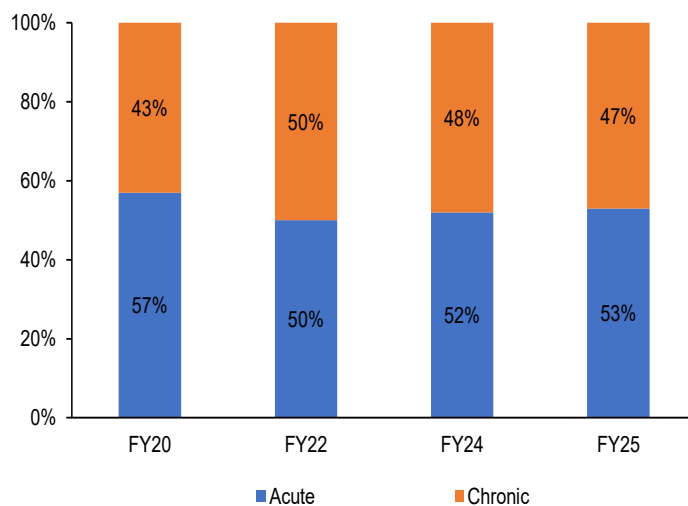
Key Brands performance:

The company key brands continued to perform strongly in Q1FY26, driving growth in the domestic business. Sporolac, a prominent probiotic brand, entered the top 300 brands in India, reflecting strong demand and increased market penetration. Meanwhile, Silnadipin, part of the company's chronic therapy portfolio, entered the top 100 brands for the month of June. Going forward, the company aims to sustain this momentum by launching new extensions and enhancing brand recall.

CDMO Business:

The company CDMO business maintained stable performance in Q1FY26, with a quarterly revenue run rate of Rs. 120 crores. The segment is gaining traction globally, supported by the successful commercial launch and shipment of new products such as iodine liquid throat spray and immunity lozenges to the Asia Pacific and EU markets.

"The company CDMO business remains a key strategic pillar in JB's international growth roadmap, offering revenue diversification, better asset utilization, and margin resilience through scale and mix improvement."

Business Snapshots
Quarterly Revenue Mix

Increasing Share of Domestic Revenue

Building Large Brand Families

JB Consistently Outperforming IPM Growth

Improvements in Field Force Productivity

Consistently Increasing Chronic Mix


Source: Company, Bpwealth Research

Key Financials

YE March (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	24,240	31,490	34,840	39,180	43,867	49,082
Growth %	18.6%	29.9%	10.6%	12.5%	12.0%	11.9%
EBITDA	5,430	6,960	8,970	10,320	11,910	13,889
Growth%	-3.0%	28.2%	28.9%	15.1%	15.4%	16.6%
Net Profit	3,860	4,100	5,530	6,600	7,970	9,388
Growth %	-14.0%	6.2%	34.9%	19.3%	20.8%	17.8%
Diluted EPS	24.9	26.5	35.6	42.4	51.1	60.2

Profitability & Valuation

EBITDA (%)	22.4%	22.1%	25.7%	26.3%	27.2%	28.3%
NPM (%)	15.9%	13.0%	15.9%	16.8%	18.2%	19.1%
ROE (%)	18.1%	16.5%	18.9%	19.2%	21.5%	21.6%
ROCE (%)	23.6%	25.9%	25.1%	27.1%	28.5%	29.6%
P/E (x)	65.8	62.0	46.1	38.7	34.0	28.9
EV/EBITDA (x)	47.1	37.4	28.8	24.7	20.6	17.2
Net Debt/EBITDA (x)	0.0	0.0	-0.1	-0.1	-0.1	-0.1

Source: Company, Bloomberg Estimates

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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