

November 12, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	2,100		2,030	
Sales (Rs. m)	48,544	54,526	49,245	55,222
% Chng.	(1.4)	(1.3)		
EBITDA (Rs. m)	14,061	17,093	14,360	17,308
% Chng.	(2.1)	(1.2)		
EPS (Rs.)	62.4	78.7	63.0	79.5
% Chng.	(1.0)	(1.0)		

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	39,180	43,215	48,544	54,526
EBITDA (Rs. m)	10,319	11,983	14,061	17,093
Margin (%)	26.3	27.7	29.0	31.3
PAT (Rs. m)	6,596	8,052	9,684	12,214
EPS (Rs.)	42.5	51.9	62.4	78.7
Gr. (%)	19.4	22.1	20.3	26.1
DPS (Rs.)	15.5	16.0	15.0	15.0
Yield (%)	0.9	0.9	0.8	0.8
RoE (%)	20.8	21.7	22.2	23.4
RoCE (%)	25.6	27.4	27.9	28.9
EV/Sales (x)	7.1	6.3	5.6	4.8
EV/EBITDA (x)	26.9	22.7	19.5	15.4
PE (x)	42.8	35.1	29.2	23.1
P/BV (x)	8.2	7.1	6.0	4.9

Key Data JBCH.BO | JBCP IN

52-W High / Low	Rs.1,952 / Rs.1,303
Sensex / Nifty	84,467 / 25,876
Market Cap	Rs.285bn / \$ 3,215m
Shares Outstanding	157m
3M Avg. Daily Value	Rs.278.52m

Shareholding Pattern (%)

Promoter's	47.73
Foreign	17.77
Domestic Institution	19.62
Public & Others	14.88
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	8.7	16.8	2.2
Relative	6.2	14.0	(4.8)

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Another quarter of strong margins

Quick Pointers:

- Gross margin guidance of 67-69% maintained in FY26E.
- Expects mid teens growth trajectory for CDMO segment

J.B. Chemicals & Pharmaceuticals (JBCP) Q2FY26 adjusted EBITDA growth of 14% YoY was in line with our estimates. Revenue growth across key segments (domestic and CDMO) remained healthy during the quarter. We believe JBCP growth momentum to continue driven by 1) geographical expansion of legacy brands 2) improvement in MR productivity 3) scale up in acquired brands 4) launch of new products & therapies 5) scaling up contract manufacturing business and 6) strong FCF generation. Further margins will continue to improve beyond FY27 with grant of perpetual license of acquired opthal portfolio. Our FY26E/27E EPS broadly remains unchanged. We expect EPS CAGR of 22% over FY25-28E. At CMP, the stock is trading at 29x FY27E EPS. We maintain 'BUY' rating with TP of Rs2,100/share, valuing at 30x Sept 2027E EPS.

- Domestic business with CDMO segment aided growth YoY:** JBCP revenues grew by 8% YoY to Rs10.8bn, in line with our estimates. Domestic formulation delivered double digit growth of 10% YoY to Rs 6.4bn. Opthal portfolio from Novartis delivered Rs 580mn in revenues. Export formulations up 2% YoY to Rs 3.06bn. Russia recorded strong growth whereas other markets remained subdued for the quarter. CDMO business registered growth of 21% YoY. API sales at Rs 220mn; up 16% YoY.
- In line EBITDA; Healthy GMs:** Reported EBITDA came in at Rs 3.1bn up 14.5% YoY. Margins stood at 28.5%; up 150 bps YoY. Adjusted for ESOP (Rs 90mn), EBITDA was Rs3.2bn with OPM of 29.4%. GM's increased 200bps YoY and flat QoQ to 68%. PAT came in at Rs2.1bn up 19% YoY, in line with our est.
- Key concall takeaways: Domestic business** growth was on back of 4% volume growth and 6% price growth. Acute portfolio delivered muted growth due to weak season. There was impact on brands such as Metrogyl and Rantac. Chronic segment grew strong. Key brands such as Cilacar T, Sporolac and Azmarda were up 26%/15%/23% each. Domestic growth guidance maintained at 12-14% YoY for FY26E.
- The monthly run rate in **ophthalmology** portfolio stood at Rs 170-180Mn with new organics launches driving traction. Coverage amongst ophthalmologists is improving steadily.
- CDMO** growth was led by strong global partnerships and execution. It has robust order book for H2FY26E. Guided for 12-14% YoY growth for FY26E. Mgmt expects mid teens growth trajectory to sustain.

- **API business** to maintain quarterly run rate of Rs 250mn. Focus remains on maximizing existing portfolio utilization. Growth was led by Diclofenac exports during the quarter
- **Branded generics:** Russia remained strong whereas South Africa remained impacted by reduced public tenders. APAC is performing well expecting high single digit growth in H2 FY26. No pricing pressure in US with business stable at \$10-12mn per quarter.
- **Other highlights:** Gross margin guidance of 67-69% maintained. Capex for the quarter stood at Rs 1bn which includes 600mn of maintenance capex and rest for new line 4. OCF stood at Rs 3.63bn. Net cash Rs 9.39bn. Debt levels at Rs 70mn.

Exhibit 1: Q2FY26 Result Overview (Rs mn): In line performance, Healthy margins

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var	Q1FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Net Sales	10,849	10,006	8.4	10,835	0.1	10,939	(0.8)	21,788	20,050	8.7
Raw Material	3,455	3,384	2.1	3,489	(1.0)	3,471	(0.5)	6,926	6,782	2.1
% of Net Sales	31.8	33.8		32.2		31.7		31.8	33.8	
Personnel Cost	1,883	1,706	10.4	1,950	(3.5)	1,943	(3.1)	3,826	3,375	13.4
% of Net Sales	17.4	17.0		18.0		17.8		17.6	16.8	
Others	2,416	2,211	9.2	2,370	1.9	2,517	(4.0)	4,932	4,385	12.5
% of Net Sales	22.3	22.1		21.9		23.0		22.6	21.9	
Total Expenditure	7,753	7,301	6.2	7,809	(0.7)	7,931	(2.2)	15,684	14,541	7.9
EBITDA	3,096	2,705	14.5	3,026	2.3	3,009	2.9	6,105	5,509	10.8
Margin (%)	28.5	27.0		27.9		27.5		28.0	27.5	
Depreciation	444	419	6.1	450	(1.2)	427	4.1	871	827	5.4
EBIT	2,652	2,286	16.0	2,576	2.9	2,582	2.7	5,233	4,682	11.8
Other Income	153	100	54.2	150	2.3	146	5.4	299	158	88.7
Interest	14	21	(34.5)	13	3.8	11	21.6	25	77	(68.1)
PBT	2,792	2,365	18.0	2,713	2.9	2,716	2.8	5,508	4,764	15.6
Total Taxes	713	620	15.1	692	3.1	692	3.0	1,406	1,250	12.5
ETR (%)	25.6	26.2		25.5		25.5		25.5	26.2	
Minority Interest	-	-	-	-	-	-	-	-	-	-
Reported PAT	2,078	1,746	19.1	2,021	2.8	2,024	2.7	4,102	3,514	16.7

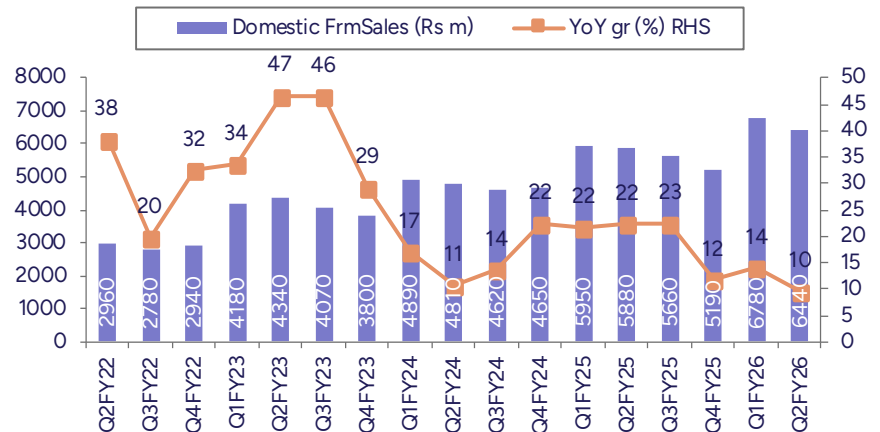
Source: Company, PL

Exhibit 2: Performance supported by domestic portfolio and CDMO business.

Major sources of revenues	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Domestic Formulations	6,440	5,880	9.5	6,780	(5.0)	13220	11,830	11.7
Exports	4,410	4,126	6.9	4,160	6.0	8,570	8,216	4.3
Formulations	3,060	3,000	2.0	2,830	8.1	5890	5,900	(0.2)
CMO	1,130	936	20.7	1,150	(1.7)	2280	1,996	14.2
APIs	220	190	15.8	180	22.2	400	320	25.0
Net Revenues	10,850	10,006	8.4	10,940	(0.8)	21,790	20,046	8.7

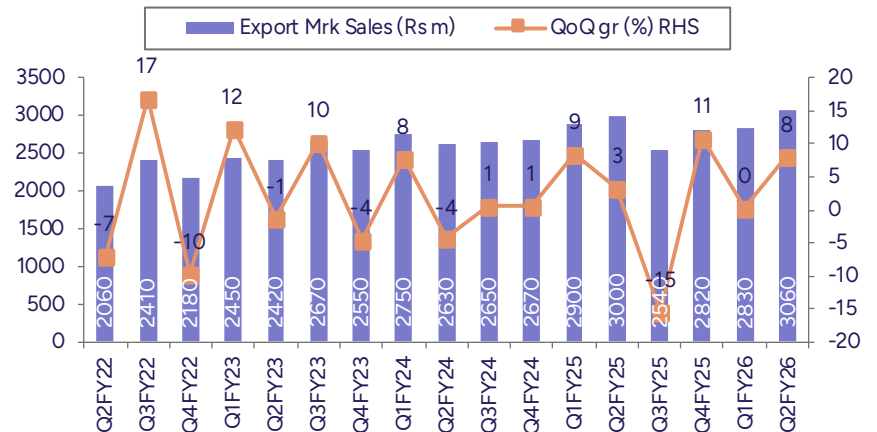
Source: Company, PL

Exhibit 3: Witnessed growth across acquired portfolio YoY



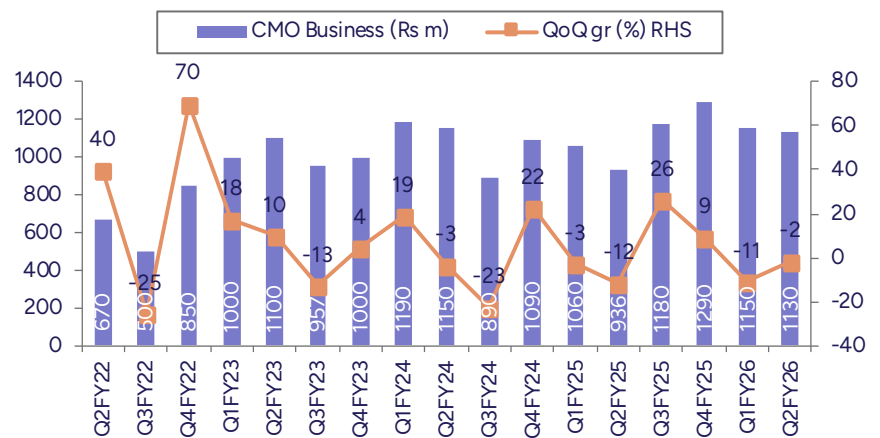
Source: Company, PL

Exhibit 4: Russia market delivered strong growth.



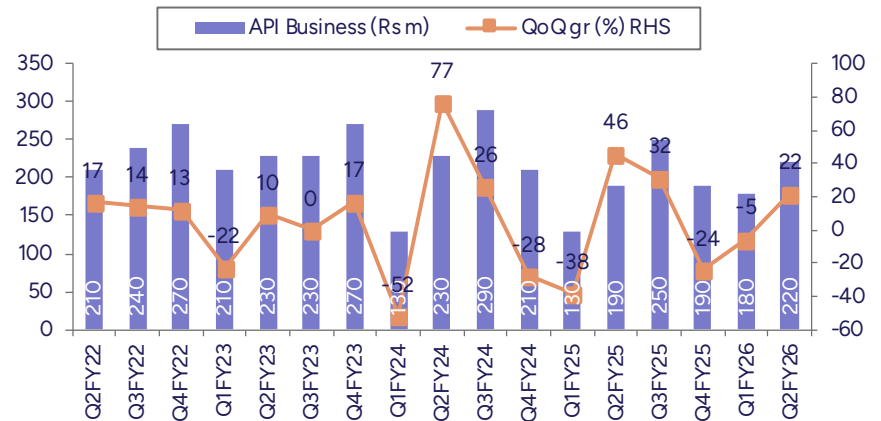
Source: Company, PL

Exhibit 5: CDMO maintained momentum



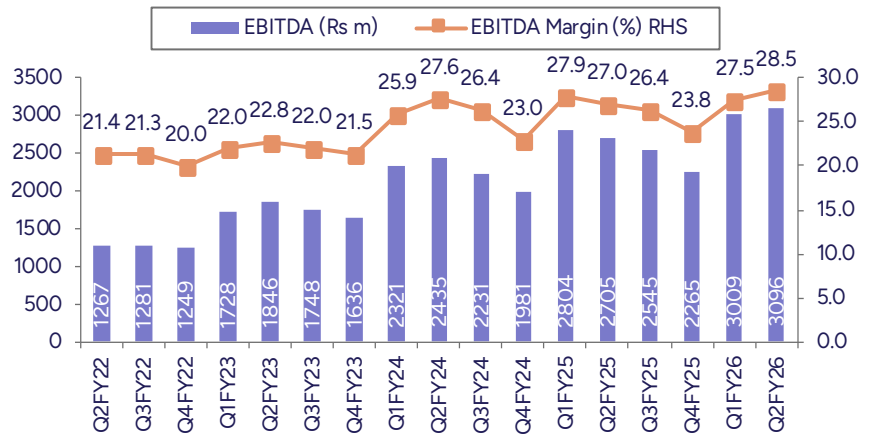
Source: Company, PL

Exhibit 6: Recovery in API business



Source: Company, PL

Exhibit 7: Adj margins for ESOP at 29.4%



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	39,180	43,215	48,544	54,526
YoY gr. (%)	12.5	10.3	12.3	12.3
Cost of Goods Sold	13,166	13,829	15,534	16,903
Gross Profit	26,015	29,386	33,010	37,623
Margin (%)	66.4	68.0	68.0	69.0
Employee Cost	6,876	7,701	8,471	9,318
Other Expenses	8,820	9,702	10,478	11,212
EBITDA	10,319	11,983	14,061	17,093
YoY gr. (%)	15.0	16.1	17.3	21.6
Margin (%)	26.3	27.7	29.0	31.3
Depreciation and Amortization	1,710	1,775	1,882	1,969
EBIT	8,608	10,208	12,178	15,124
Margin (%)	22.0	23.6	25.1	27.7
Net Interest	117	50	30	30
Other Income	383	650	850	1,300
Profit Before Tax	8,874	10,808	12,998	16,394
Margin (%)	22.6	25.0	26.8	30.1
Total Tax	2,278	2,756	3,315	4,180
Effective tax rate (%)	25.7	25.5	25.5	25.5
Profit after tax	6,596	8,052	9,684	12,214
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	6,596	8,052	9,684	12,214
YoY gr. (%)	19.4	22.1	20.3	26.1
Margin (%)	16.8	18.6	19.9	22.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	6,596	8,052	9,684	12,214
YoY gr. (%)	19.4	22.1	20.3	26.1
Margin (%)	16.8	18.6	19.9	22.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	6,596	8,052	9,684	12,214
Equity Shares O/s (m)	155	155	155	155
EPS (Rs)	42.5	51.9	62.4	78.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	29,616	29,981	40,346	40,711
Tangibles	16,445	17,410	28,374	29,339
Intangibles	13,171	12,571	11,971	11,371
Acc: Dep / Amortization	10,345	12,121	14,003	15,972
Tangibles	10,345	12,121	14,003	15,972
Intangibles	-	-	-	-
Net fixed assets	19,271	17,860	26,343	24,739
Tangibles	6,099	5,289	14,371	13,368
Intangibles	13,171	12,571	11,971	11,371
Capital Work In Progress	467	467	467	467
Goodwill	575	575	575	575
Non-Current Investments	280	129	129	129
Net Deferred tax assets	(1,689)	(1,689)	(1,689)	(1,689)
Other Non-Current Assets	2,717	2,717	2,717	2,717
Current Assets				
Investments	3,171	3,171	3,171	3,171
Inventories	5,290	5,920	6,650	7,469
Trade receivables	8,154	8,643	9,443	10,606
Cash & Bank Balance	1,295	7,769	5,744	15,954
Other Current Assets	1,430	1,430	1,430	1,430
Total Assets	42,738	48,771	56,758	67,347
Equity				
Equity Share Capital	155	155	155	155
Other Equity	34,178	39,746	47,102	56,987
Total Networth	34,333	39,901	47,257	57,143
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	308	308	308	308
Current Liabilities				
ST Debt / Current of LT Debt	138	138	138	138
Trade payables	4,107	4,499	5,054	5,677
Other current liabilities	2,079	2,151	2,228	2,308
Total Equity & Liabilities	42,738	48,771	56,758	67,347

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	8,874	10,808	12,998	16,394
Add. Depreciation	1,710	1,775	1,882	1,969
Add. Interest	117	50	30	30
Less Financial Other Income	383	650	850	1,300
Add. Other	257	-	-	-
Op. profit before WC changes	10,959	12,633	14,911	18,393
Net Changes-WC	72	(655)	(899)	(1,280)
Direct tax	(2,007)	(2,756)	(3,315)	(4,180)
Net cash from Op. activities	9,024	9,222	10,697	12,932
Capital expenditures	(1,192)	(965)	(10,965)	(965)
Interest / Dividend Income	-	-	-	-
Others	(1,767)	-	-	-
Net Cash from Invst. activities	(2,959)	(965)	(10,965)	(965)
Issue of share cap. / premium	240	-	-	-
Debt changes	(3,439)	-	-	-
Dividend paid	(2,370)	(2,483)	(2,328)	(2,328)
Interest paid	(96)	(50)	(30)	(30)
Others	(60)	751	600	600
Net cash from Fin. activities	(5,726)	(1,782)	(1,758)	(1,758)
Net change in cash	339	6,475	(2,025)	10,210
Free Cash Flow	7,832	8,257	(267)	11,968

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	42.5	51.9	62.4	78.7
CEPS	53.5	63.3	74.5	91.4
BVPS	221.2	257.1	304.5	368.2
FCF	50.5	53.2	(1.7)	77.1
DPS	15.5	16.0	15.0	15.0
Return Ratio(%)				
RoCE	25.6	27.4	27.9	28.9
ROIC	22.5	27.0	25.5	31.4
RoE	20.8	21.7	22.2	23.4
Balance Sheet				
Net Debt : Equity (x)	(0.1)	(0.3)	(0.2)	(0.3)
Net Working Capital (Days)	87	85	83	83
Valuation(x)				
PER	42.8	35.1	29.2	23.1
P/B	8.2	7.1	6.0	4.9
P/CEPS	34.0	28.7	24.4	19.9
EV/EBITDA	26.9	22.7	19.5	15.4
EV/Sales	7.1	6.3	5.6	4.8
Dividend Yield (%)	0.9	0.9	0.8	0.8

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	9,635	9,495	10,939	10,849
YoY gr. (%)	14.1	10.2	8.9	8.4
Raw Material Expenses	3,167	3,216	3,471	3,455
Gross Profit	6,468	6,278	7,468	7,394
Margin (%)	67.1	66.1	68.3	68.2
EBITDA	2,545	2,265	3,009	3,096
YoY gr. (%)	14.1	14.3	7.3	14.5
Margin (%)	26.4	23.8	27.5	28.5
Depreciation / Depletion	419	464	427	444
EBIT	2,126	1,800	2,582	2,652
Margin (%)	22.1	19.0	23.6	24.4
Net Interest	26	15	11	14
Other Income	80	145	146	153
Profit before Tax	2,180	1,930	2,716	2,792
Margin (%)	22.6	20.3	24.8	25.7
Total Tax	555	473	692	713
Effective tax rate (%)	25.5	24.5	25.5	25.6
Profit after Tax	1,625	1,457	2,024	2,078
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,625	1,457	2,024	2,078
YoY gr. (%)	21.7	15.5	14.4	19.1
Margin (%)	16.9	15.3	18.5	19.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,625	1,457	2,024	2,078
YoY gr. (%)	21.7	15.5	14.4	19.1
Margin (%)	16.9	15.3	18.5	19.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,626	1,458	2,025	2,079
Avg. Shares O/s (m)	155	155	155	155
EPS (Rs)	10.5	9.4	13.0	13.4

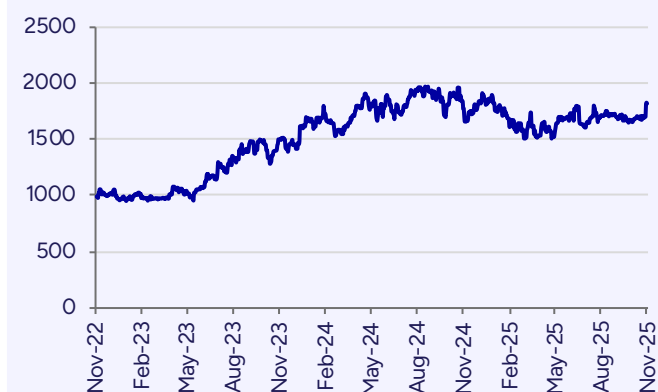
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Domestic Formulations	21,780	24,345	27,394	30,834
Contrast Media	900	1,008	1,129	1,264
Sanzyme	2,587	3,027	3,542	4,144
Export Formulations	11,280	11,912	13,134	14,449
Contract Manufacturing	4,460	5,129	6,001	7,021
API business	760	821	886	957

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	BUY	2,030	1,657
2	31-Jul-25	BUY	2,030	1,778
3	08-Jul-25	BUY	2,030	1,633
4	16-May-25	BUY	2,030	1,641
5	08-Apr-25	BUY	2,075	1,518
6	06-Feb-25	BUY	2,075	1,716
7	08-Jan-25	BUY	2,250	1,896

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ajanta Pharma	BUY	3,200	2,539
2	Apollo Hospitals Enterprise	BUY	9,300	7,642
3	Aster DM Healthcare	BUY	775	693
4	Aurobindo Pharma	BUY	1,300	1,141
5	Cipla	Accumulate	1,675	1,541
6	Divi's Laboratories	Accumulate	7,050	6,657
7	Dr. Reddy's Laboratories	Reduce	1,270	1,284
8	Eris Lifesciences	BUY	1,975	1,590
9	Fortis Healthcare	BUY	1,000	1,042
10	HealthCare Global Enterprises	BUY	620	651
11	Indoco Remedies	Hold	325	290
12	Ipca Laboratories	Accumulate	1,525	1,360
13	J.B. Chemicals & Pharmaceuticals	BUY	2,030	1,657
14	Jupiter Life Line Hospitals	BUY	1,800	1,519
15	Krishna Institute of Medical Sciences	BUY	840	701
16	Lupin	BUY	2,400	1,972
17	Max Healthcare Institute	BUY	1,355	1,131
18	Narayana Hrudayalaya	BUY	2,000	1,783
19	Rainbow Children's Medicare	BUY	1,725	1,331
20	Sun Pharmaceutical Industries	BUY	1,875	1,703
21	Suntech Realty	BUY	600	432
22	Torrent Pharmaceuticals	Accumulate	4,200	3,580
23	Zydus Lifesciences	Accumulate	1,020	937

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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