

Result Update

Q3 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 10.5% YoY / down 1.9% QoQ to Rs. 10,647 mn. The domestic business recorded 12% annual growth, outpacing IPM's 9%. The superior performance in the domestic market was driven by strong growth in flagship brands such as Cilacar, Cilacar-T, Nicardia, and Sporlac, as well as the Razel franchise. Management attributed this outperformance to broad-based momentum across key chronic therapies and continued strength in their core brand franchises. The domestic business implemented a price hike of approximately 7% for the quarter. The company recorded volume growth of 7.2%, significantly higher than the IPM's 2.1%, reflecting strong traction in key brands. The CDMO segment sustained its sales momentum despite a high base in the previous year. According to IQVIA MAT December 2025 data, JB Pharma is the fastest-growing company among the top 25 names in the Indian pharma market. EBITDA increased 16.2% YoY / down 4.5% QoQ to Rs. 2,958 mn, while EBITDA margin stood at 27.8% (up 137 YoY) in Q3FY26, owing to an expansion in gross margins by 193 bps YoY to 69.1%. driven by a favourable product mix, stable raw material prices, and positive price growth. Profit after Tax stood at Rs. 1,979 mn (up 21.8% YoY / down 4.8% QoQ) in Q3FY26, while the PAT margin came at 18.6% versus 19.2% in the previous quarter. The merger with Torrent Pharma is expected to close in Q4FY26, with the entire merger process taking an additional 6 to 9 months from that date.

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 double-digit revenue growth, with sharp operating leverage reflected in EBITDA growth and a 200 bps expansion in gross margins, was driven by a richer, chronic-focused domestic mix, disciplined price hikes (~7% in India), and a favorable international mix. Looking ahead, JB Pharma expects to maintain its momentum by outperforming the IPM by 200 to 300 bps, supported by strong brand momentum in chronic therapies. While international business is projected to achieve high single-digit growth for the whole year, it is supported by a strong Q4FY26 order book. Profitability is expected to remain robust, with management guiding full-year EBITDA margins of 28%-29%, aided by product mix and operating efficiencies, even as near-term softness persists in acute therapies. Specific segment goals include growing the CDMO business by 10% to 12% in FY27 and reaching a monthly run rate of ~Rs. 170 mn for the ophthalmology portfolio within the next few months. The acquisition by Torrent Pharma offers long-term strategic synergies and scale benefits. 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)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)
Net Sales	10,647	9,635	10.5%	10,849	-1.9%
Gross profit	7,353	6,468	13.7%	7,394	-0.6%
Gross margin (%)	69.1%	67.1%	193bps	68.2%	90bps
EBITDA	2,958	2,545	16.2%	3,096	-4.5%
OPM (%)	27.8%	26.4%	137bps	28.5%	-75bps
Adj. PAT	1,979	1,625	21.8%	2,078	-4.8%
PAT Margin (%)	18.6%	16.9%	172bps	19.2%	-57bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	1,916
BSE code	506943
NSE Symbol	JBCHEM-PHARM
Bloomberg	JBCP IN
Reuters	JBCH:BO

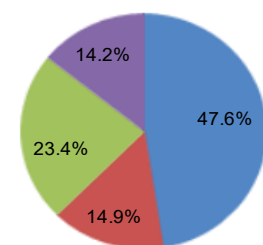
Key Data

Nifty	25,585
52 Week H/L (Rs.)	1,939 / 1,303
O/s Shares (Mn)	155
Market Cap (Rs. bn)	300
Face Value (Rs.)	1

Average Volume

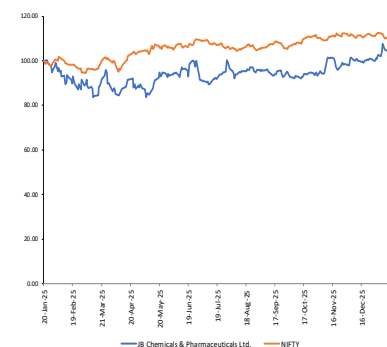
3 months	172,670
6 months	192,340
1 year	251,090

Share Holding (%)



■ Promoters ■ FII ■ DII ■ Others

Relative Price Chart



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Key Concall Highlights

Domestic Business Outlook:

JB Chemicals domestic formulation business is expected to sustain above-industry growth, with management reiterating guidance of outperforming the IPM by 200–300 bps. Growth will continue to be driven by the company's strong chronic portfolio, particularly in cardiac, hypertension, ophthalmology, and gastro segments, where flagship brands such as Cilacar, Cilacar-T and Nicardia are delivering robust double-digit to high-teens volume-led growth. Price hikes of ~7% in FY26, favorable product mix, and continued field force productivity are expected to support revenue momentum while protecting margins. Although some near-term moderation has been observed in acute therapies, especially in gastro, this is viewed as temporary, with chronic therapies providing earnings growth visibility.

International Business:

JB Chemicals' international business is poised steady, diversified growth, supported by strong performance across branded generics, key subsidiaries, and the CDMO segment. International revenues grew led by robust demand in South Africa and Russia, alongside a recovery in branded exports and stable execution of the order book. Management indicated that momentum should sustain into Q4FY26, with the full-year international business expected to deliver high single-digit growth, despite a relatively high base.

Ophthalmology Portfolio:

The company ophthalmology portfolio is expected to maintain double-digit growth, anchored by the strength of its chronic therapies, particularly in glaucoma. While the segment has seen some near-term moderation due to softness in acute products, management highlighted that the underlying chronic franchise remains robust and continues to gain traction with prescribers. The company is targeting a monthly run rate of Rs. 170-180 mn over the next few quarters, supported by better product mix, improved execution, and sustained demand for chronic ophthalmic treatments.

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

MR Productivity:

The company has consistently enhanced MR productivity through disciplined field-force management, sharper territory alignment, and a strategic pivot toward high-growth chronic therapies. The company's focused detailing on marquee brands in cardiac, ophthalmology, and other chronic segments has led to improved prescription conversion and better per-MR sales productivity, enabling JB Pharma to outperform the Indian Pharmaceutical Market on a sustained basis.

Cost Optimization Initiatives:

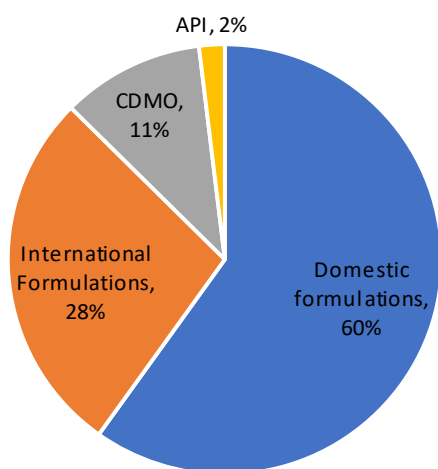
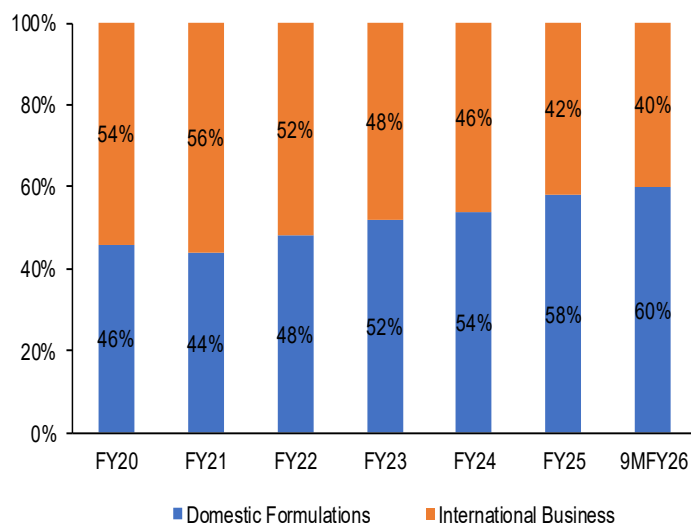
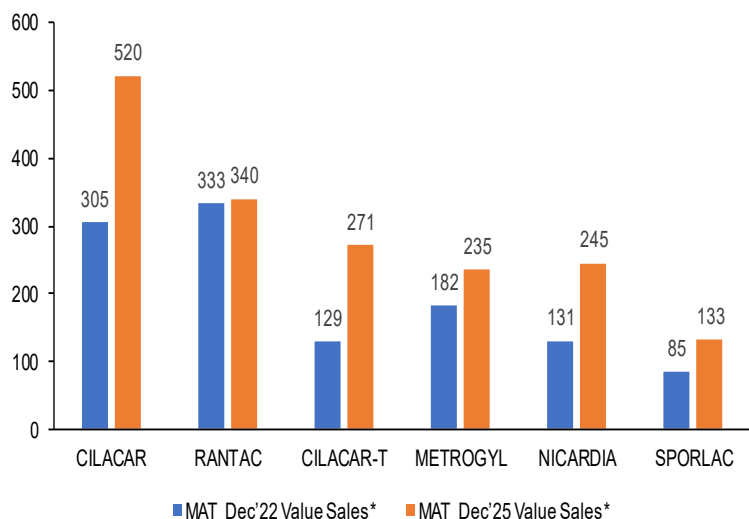
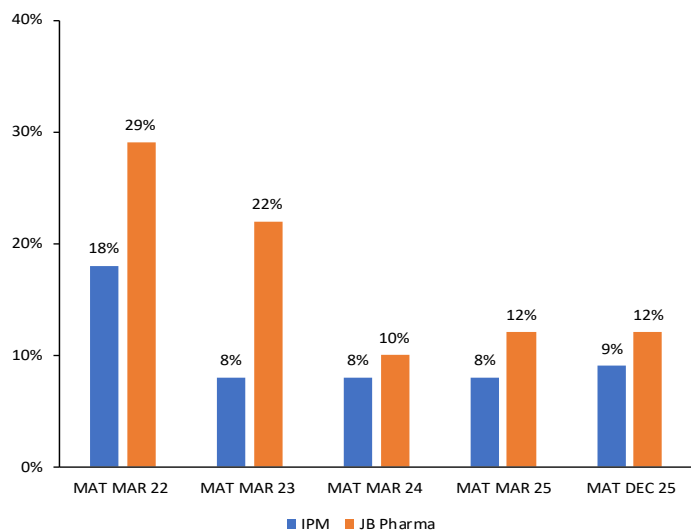
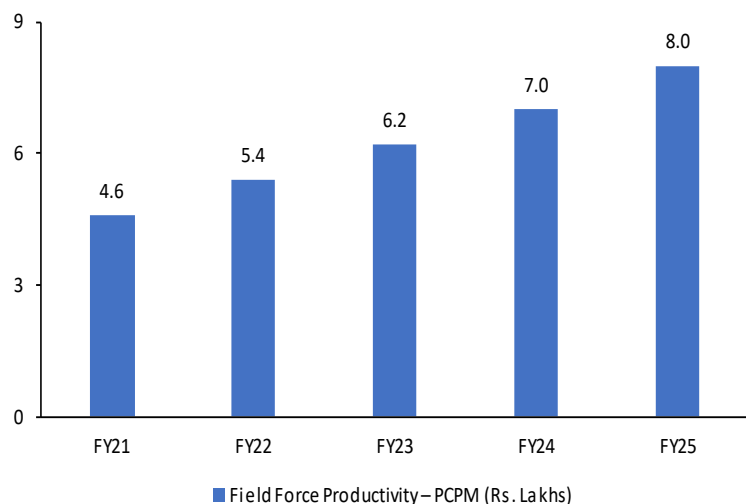
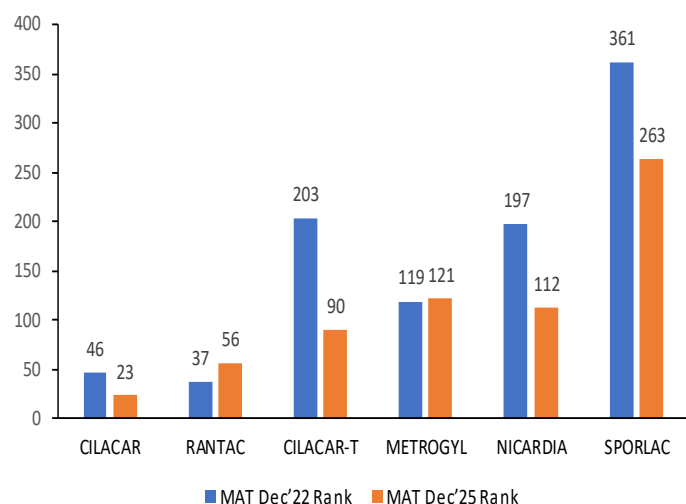
The company is also undertaking multiple cost optimization initiatives, focusing on manufacturing efficiencies and operational improvements. These efforts are expected to support margin expansion, driven by a better product mix and increased in-house production capabilities.

Key Brands performance:

The company continues to be anchored by the strong and scalable performance of its flagship brands, particularly within the chronic therapy portfolio. During Q3FY26, leading brands such as Cilacar, Cilacar-T, and Nicardia, significantly outperforming the IPM and reinforcing company's leadership in the cardiac segment. The Sporlac franchise also remained resilient, reflecting sustained demand and strong brand recall.

CDMO Business:

The company CDMO business remains a stable annuity, with quarterly revenues of ~Rs. 1,150-1,200 mn and a growth outlook of 10-12% in FY27, supported by healthy utilization levels and long-term client relationships. A favorable geographic and product mix, coupled with operational efficiencies, is expected to support margins, even amid global pricing pressures.

Business Snapshots
Quarterly Revenue Mix

Share of Domestic Revenue

Building Large Brand Families (Rs. Crores)

JB Consistently Outperforming IPM Growth

Improvements in Field Force Productivity

Consistently Improving brands ranking


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	43,283	48,382
Growth %	18.6%	29.9%	10.6%	12.5%	10.5%	11.8%
EBITDA	5,430	6,960	8,970	10,320	11,828	13,730
Growth%	-3.0%	28.2%	28.9%	15.1%	14.6%	16.1%
Net Profit	3,860	4,100	5,530	6,600	7,960	9,459
Growth %	-14.0%	6.2%	34.9%	19.3%	20.6%	18.8%
Diluted EPS	24.9	26.5	35.6	42.4	51.0	60.6

Profitability & Valuation

EBITDA (%)	22.4%	22.1%	25.7%	26.3%	27.3%	28.4%
NPM (%)	15.9%	13.0%	15.9%	16.8%	18.4%	19.6%
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	37.6	31.6
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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