



November 14, 2025

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

BSE Scrip Code: 506943

Stock Symbol: JBCHEPHARM

Dear Sir,

Subject: Transcript of Investors/Analysts call

Ref.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Schedule III and Regulation 46(2)(oa) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find Transcript of Conference Call which was scheduled for Investors and Analysts on November 12, 2025 at 2.00 PM IST in relation to results and developments for the second quarter ended on September 30, 2025. The same will also be available on the website of the Company www.jbpharma.com.

We request you to take this on record.

Thanking you,

Yours faithfully,
For J.B. Chemicals & Pharmaceuticals Limited

Sandeep Phadnis
Vice President – Secretarial
& Company Secretary

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J B Chemicals and Pharmaceuticals Limited
Q2 FY '26 Earnings Conference Call
November 12, 2025

This transcript is published as is what we have received from our vendor who manages the conference call. We would request you to go through the audio recording in case you want to reconfirm anything that has been mentioned in the transcript

Moderator:

Ladies and gentlemen, good day and welcome to the J.B. Pharma's Q2 FY '26 Earnings Conference Call as on 12th November 2025. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star and then zero on your touchtone phone.

I now hand the conference over to Mr. Jason D'Souza, Executive Vice President at J.B. Pharma. Thank you and over to you, sir.

Jason D'Souza:

Thank you, Sagar. Welcome to the Q2 FY '26 Earnings Call of J.B. Pharma. We have with us today Nikhil Chopra, CEO and Whole-Time Director; Kunal Khanna, President, Operations, and Narayan Saraf, the CFO at J.B. Chemicals and Pharmaceuticals Limited.

Before we begin, I would like to state that some of the statements in today's discussion may be forward-looking in nature and may involve certain risks and uncertainties. A detailed statement in this regard is available in the Q2 FY 2026 results presentation that has been sent to you earlier.

I would like to hand over the floor to Mr. Nikhil Chopra to begin the proceedings of the call and for his opening remarks.

Nikhil Chopra:

Thank you, Jason, and welcome to all of you for today's call. J.B. Pharma delivered another quarter of a good performance with the business going ahead of Indian pharma market. Quarter two saw overall revenues at INR1,085 crore, which is 8% higher than the previous year.



Operating EBITDA, excluding non-cash ESOP, came in at INR319 crore, up 12%, and net profit was reported at INR208 crore, which grew at 19% year-on-year. Our Q2 FY '26 gross margins increased by 200 bps to 68.2% versus 66.2%. Cost optimization efforts, favorable product mix, and price growth positively impacted gross margins. Operating EBITDA margin came in at 29.4%, up 100 bps year-on-year, underscoring emphasis on improvement in profitability.

Moving along, let me draw the discussion towards the domestic business. Our domestic business grew 9% improvement year-on-year to INR644 crore. As per IQVIA September MAT data, J.B. Pharma is the fastest growing company among the top 25 companies in IPM.

Over the past several years, we have consistently remained one of the fastest growing companies in the country. This is indeed a major achievement for our organization as a whole. Further, all our major brands gained ranks, with three of our brands now in top 100 brands in IPM.

We have now six brands in top 300 in the IPM. The business continues to be driven by strong brands with key franchises outperforming the market. As per IQVIA MAR September 2025 data, the Reserve Franchisee, i.e. Rosuvastatin Franchisee, has crossed INR100 crore in revenue. This is another achievement considering that in just two years, the franchisee has gone from sales of INR66 crore in MAT September 2022 to an INR104 crore as per MAT September 2025 data. We now have six brand franchises, each demonstrating healthy and sustained growth.

Moving on, let me address our international operations. Q2 FY '26 saw the business delivering 7% improvement year-on-year to an INR441 crore. This was driven by strong trends in our CDMO segment. CDMO business reported 20% year-on-year growth to an INR113 crore for the quarter.

We have a robust pipeline of products lined up for our global partners and our order book remains strong for H2 FY '26. International Formulations reported a revenue of INR306 crore, up 2%. Russia markets recorded strong growth for the quarter, whereas our other markets stayed subdued. We expect growth to return in H2 FY '26. More of that we will talk in our Q&A.

J.B. remains a steadfast in advancing revenue growth while deepening its focus on cost discipline and organization agility. Our continued emphasis on the domestic and CDMO segments will be instrumental in sustaining both top-line expansion and margin strength. With a resilient balance sheet and a culture rooted in execution excellence, we are poised to navigate the future with confidence and steer the company into its next phase of strategic growth.

I would now like to request Mr. Narayan Saraf, our CFO, to continue with his views on the financial performance. Over to you, Narayan. Thank you.

Narayan Saraf:

Thank you very much, Nikhil. Good afternoon everyone and welcome to J.B. Pharma's Q2 FY '26 Earnings Call. Now to take you through the financial updates for the second quarter, revenues for the quarter were at INR1,085 crore, representing an increase of 8% year-on-year. The domestic business to international business mix was 61% to 39% for H1 FY '26 versus H1 FY '25.



The domestic business -- formulation business segment reported revenues of INR644 crore with a growth of 9% year-on-year. And as per IQVIA MAT September '25 data within the IPM, the company maintained its outperformance with a growth of 12% versus the IPM growth of 8%.

In International business, the segment reported a growth of 7% year-on-year at INR441 crore. International formulations grew moderately by 2% year-on-year to INR306 crore and the CDMO category grew strongly, recording an increase of 20% year-on-year at INR113 crore due to good sales momentum. Revenue from the API category were at INR22 crore as against INR19 crore in the previous year.

Operating EBITDA, which is excluding non-cash ESOP by 12% -- grew by 12% to INR319 crore for Q2 FY '26. Operating EBITDA margins increased by 100 basis points to 29.4% for Q2 FY '26. For H1 FY '26, operating EBITDA, excluding one-off impact in Q1 of INR15 crore due to merger scheme, grew by 13% to INR649 crore. Operating EBITDA margin was 29.8%, an increase of 110 basis points as compared to H1 FY '25.

Gross profit margin grew by -- grew to 68.2% compared to 66.2% in Q2 FY '25. Cost optimization efforts, favorable product mix and price growth aided the margin improvement by 200 basis points. Overall, overheads, including employee costs were contained, which also aided operating margins. Finally, net profit increased by 19% to INR208 crore for Q2 FY '26 and increased by 17% to INR410 crore for H1 FY '26. Excluding one-off impact due to merger scheme, net profit for H1 grew by 20% to INR421 crore, an improvement of 180 basis points.

The operating cash flow in H1 FY '26 were at INR363 crore. Cash tax increased to INR116 crore. The company's gross debt as of 30th September '25 was at INR7 crore versus INR14 crore as on 31st March 2025. Net cash and cash equivalents, including investments in mutual funds were at INR939 crore as on 30th September '25. The net capex addition for H1 FY '26 was INR46 crore versus INR49 crore in H1 FY '25. We remain confident on a positive outlook through opportunities for the company and providing value to our stakeholders.

That brings to my end of my opening remarks. I now request the moderator to open the forum for the Q&A session. Thank you very much.

Moderator: Thank you very much. We will now begin with the question and answer session. Our first question comes from the line of Tausif Shaikh from BNP. Please go ahead.

Tausif Shaikh: Thanks for the opportunity. My first business on the domestic business. Just want to check whether our domestic business was impacted to the new GST rates and can you help us provide the growth of acute and chronic growth for this quarter to help this thing better?

Kunal Khanna: With respect to GST, the business was not impacted at all. Whatever numbers you see are without any significant impact on channel for the GST as far as GST implications go. Overall, our growth has again outpaced the market.



If you really look at Q2 numbers, the volume growth for the market was in the range of 0.5% to 0.7%, whereas our volume growth was close to 4%. And we have always kind of maintained that the reason why we will be able to grow above the market is because we will grow at least 3 percentage points above the market with respect to volume growth and that trend continues to maintain.

Acute season was slightly muted, which has impacted our overall domestic growth for Q2, mainly impacting products like Metrogyl and Rantac. But beyond that, our chronic growth has been significant. In fact, our chronic portfolio has grown at over 20%. Some of our key brands like Cilacar, Cilacar T, Cilacar Plain has grown at almost 14%. Cilacar T continues to grow at 26%. Our Sporlac franchise has grown at 15%. Azmarda is growing at 23%. So all our big franchises on the chronic segment are actually growing at 20% plus.

Tausif Shaikh: That's helpful. Second question on the export formulation. I think this is the second consecutive quarter we have seen a muted growth. Which of the markets which are leading this drag to this kind of growth? Can you help us understand?

Nikhil Chopra: So, if you look at overall our performance in the international market, let me first talk about which markets got us a growth. CDMO grew at a pace of 20% for the quarter and equally Russia business demonstrated a good growth of 20% close to high-teens for the quarter and H1. Rest of the world and South Africa, they showed the muted growth.

But what we would like to state here that we have a good order book for rest of the world and we should see high single digit growth in H2 in rest of the world market and South Africa also will bounce back supported by the growth will continue to happen in CDMO and Russia.

Tausif Shaikh: That is helpful. I will get back in the room.

Nikhil Chopra: Thank you.

Moderator: Thank you. Our next question comes from the line of Alok Dalal from Jefferies India Private Limited. Please go ahead.

Alok Dalal: Yes, good afternoon, sir. Just two questions. First is for the quarter, we have seen India growth of 9%. This is slightly slower than previous quarters. Is it largely because of seasonality?

Kunal Khanna: Yes, as we mentioned earlier, largely because of acute season slightly be muted. Last year, Metrogyl, the overall acute season was quite positive for us and Metrogyl as a franchise had also grown. So it is an impact of a slightly higher base for some of these key legacy products. It is just a seasonal variation. If you compare overall volume growth and if you see the chronic trends, we continue to outpace the market.

Nikhil Chopra: And Alok, we will continue to grow and Alok, Nikhil, here we will continue to outpace like what Kunal told we will continue to outpace at somewhere to IPM, we will continue to grow by 300 to 400 fixed data.



Alok Dalal: Okay. Sure. And can you split the growth between volume price and new introductions?

Kunal Khanna: Sure. If you really look at it from a Q2 perspective, as reflected externally and also in line with our internal trends, overall volume growth is for Q2 4% and price is 6%. And overall H1 volume is 5% and the price is 7%. Some part of volume includes our NI, but that is not significant.

Alok Dalal: Got it. And last question is on field force. What is the current field force strength as of September?

Kunal Khanna: So currently the MRs are close to 2400, active MRs operating on the ground, no significant additions over the last four to six months.

Nikhil Chopra: And our productivity is closer on INR7.5 lakh.

Alok Dalal: Okay. Yes. So if I look at the March presentation, so the field force strength was about 2800. So has there been some attrition about 300, 400 MRs?

Jason D'Souza: No, no. I think that is including the managers, Alok.

Alok Dalal: Okay. This is on the ground, feet on the ground.

Alok Dalal: All right. Okay. Thank you for taking my questions.

Moderator: Thank you. Our next question comes from the line of Rashmi Shetty from Dolat Capital. Please go ahead.

Rashmi Shetty: Yes. Thanks for the opportunity. Again, a follow-up for the export market. You mentioned that South Africa and the US, we have seen some sort of struggle over, while Russia, which had seen slowdown in first quarter has seen a good season this quarter, and that is why it has picked up. But what exactly in US and South Africa, the struggle is, is it related to any pricing pressure, or delayed product launches or anything? If you can give a bit in detail, though I understand that in the second half, we will be recovering? But what is the temporary issue over here?

Nikhil Chopra: Yes, yes. If you look at South Africa, over a period of time, we have been diminishing our overall participating in the public market. So that is a reason and it takes time in South Africa as a market where we are being highly relying upon public tender. But still, it was this public tendering participation and the contribution of business couple of years ago was 65%, today, it has come down to 35%, and private has gone up. But we are looking at how do you propel up the growth in the private market. So that will come that we are confident.

US, no pricing pressure, we do not take any price reduction in US. US has been a quarter where our last year base was high because of some supply would have been on the higher side. But it has been a trend, we do around \$10 million to \$12 million business every quarter. So I think that growth will bounce back in quarter three and quarter four for US business. So not a worry.



Rashmi Shetty: Okay. And in domestic business, what kind of price hikes we have taken? I mean, the blended price hike for this year? We have already taken it, or we will be taking it now?

Kunal Khanna: So it happens product to product based on the when the price hikes are due for particular set of brands. If you really look at our H1 trending, price growth is 7% for our domestic business for Q2 specifically it was 6%.

Rashmi Shetty: And so we continue to maintain our guidance of 12% to 14% for domestic market expecting that the H2 will pick up due to the chronic segment?

Kunal Khanna: Absolutely. As we have always maintained, we will continue to outpace the market. And even if you really look at the volume growth figures compared to the IPM, we continue to be 3% higher than the market volume growth because and we will continue to maintain that. So we will be looking at 12% to 14% growth for our domestic business.

Rashmi Shetty: Okay. And last quarter, you mentioned that gross margin guidance would be in the range of 67%. You still hold that because we are running at 68% now. And similarly, if you can guide on the EBITDA margin, whether you are retaining your guidance of around 27% to 29%?

Narayan Saraf: Yes, on gross margin, we continue to maintain that we would be in that range of 67% to 69% and EBITDA also very clearly we would be in the range of the earlier guidance, which we had given. And we continue to see that we are tuned to achieve those guidance's.

Rashmi Shetty: Okay. And just two more questions. Stock charges will get over by which year? And in case our ophthal portfolio gets consolidated, that is from FY28, what kind of gross margin improvement or margin we can see? Because our base business itself is now at around 29% EBITDA margin. So how much expansion can we expect from there?

Kunal Khanna: On the ophthal side, Narayan can take the sub-question later. On the ophthal side, the perpetual license gets triggered in December 2026. So from calendar year 2027, we will see a significant improvement on the overall gross margin profile.

We do not want to significantly peg any number or give any guidance. But just to give you a sense that even our Ophthal portfolio, the overall margin profile will be probably higher than our standalone domestic business current margin profile as well. So that gives you an indication of what the margin boost will look like.

Rashmi Shetty: Okay. And last question...

Narayan Saraf: And on the ESOP charge, we see that the balance charge which is left is approximately INR47 crore and the year till which it will be charged is FY 2027. However, very clearly we see 10 crore getting charged in Q3, as per Q2.

Rashmi Shetty: Okay. INR47 crore for this year, you are saying?



Narayan Saraf: INR47 crore is the total remaining charge. INR47 crore is the total remaining charge.

Rashmi Shetty: Okay. And in FY 2027, how much will you charge it?

Narayan Saraf: So in FY '26, we see clearly around INR20 crore and balance INR27 crore will be in FY '27.

Rashmi Shetty: Okay. And one last question on the inventory days. In the presentation, you mentioned that the inventory levels have been increased. So will it get normalized at the end of March quarter, or it will remain elevated only to build your Ophthal inventory and also just to mitigate the risk of high-API cost?

Kunal Khanna: More or less, we will continue with the same levels of inventory. Given our Ophthal portfolio currently is imported, there are certain times in the year when you see a slightly increased level of finished goods inventory, but no real major concern of inventory levels going further high from the current levels. It will be range bound from what you have seen in Q1 and Q2.

Rashmi Shetty: Okay. So more or less, it would remain at the similar level of H1, FY '26?

Kunal Khanna: Yes.

Narayan Saraf: Yes.

Rashmi Shetty: Okay. Okay. Thank you. That is it from my side.

Moderator: Thank you. Our next question comes from the line of Gourav Bhama from JM Financial. Please go ahead.

Gourav Bhama: Hi, good afternoon, sir. Am I audible?

Nikhil Chopra: Yes, yes.

Gourav Bhama: To begin with, sir, congratulations on a good set of numbers, and thank you for offering me the opportunity to ask questions. I just wanted to understand the single-digit, high single digit growth expected in second half. Is it for the overall international business or just for the international formulation?

Nikhil Chopra: Overall business.

Gourav Bhama: Overall International Formulation business right, sir?

Nikhil Chopra: Overall business.

Gourav Bhama: That is it from my end, sir.

Nikhil Chopra: International Formulation Business, hello?



Gourav Bhama: Thanks.

Nikhil Chopra: Yes.

Gourav Bhama: Got it sir.

Moderator: Our next question comes from the line of Abdulkader Puranwala from ICICI Securities. Please go ahead.

Abdulkader Puranwala: Hi, sir. Thank you for the opportunity. The first question is pertaining to the ESOP charge. So, for clarity as to what is this charge pertaining, currently there has been some buyout already. And to what price is this ESOPs been issued?

Jason D'Souza: Narayan, you want to take it?

Narayan Saraf: So, basically the charge which we see is in quarter two is around INR10 crore. And as I mentioned earlier, we continue to see the charge of INR10 crore even in quarter three. And the ESOPs which have been issued has been issued as per the rates which were governed and at the SPA, not as per the agreement which has been signed by each of the employees.

So, I think it is a different case for different employees. So, some of our key leaders have given ESOPs at different rates, which is as per the agreement with the employees. It is different-for-different employees. I hope I was able to answer your question.

Abdulkader Puranwala: Yes, thanks for that. And the second one is on the India business. So, on the acute side, I heard the comment about the season not being that favorable. But, sir, I mean, could you just help us understand why there would be a dependence portfolio in QP?

Nikhil Chopra: There will be, sorry?

Abdulkader Puranwala: So, was there a dip on this portfolio? Because when we talk about a chronic growing at 20%, overall growth was at 9%.

Kunal Khanna: So, what we maintained was that the key brands in chronic grow at 20% plus, right? And mainly because of the acute season being slightly muted, our key legacy brands, Rantac and Metrogyl have shown slightly muted growth trends. And that is reflected in the overall number of 9%.

Having said that, if you really look at the overall volume growth numbers for the IPM and for us, IPM volume growth for Q2 is just around 0.3%, which is again a reflection of the muted season, whereas our volume growth internally is 4% and externally also is reflected at 3%. So, whatever dip you are seeing, majorly in some of our two large brands of acute and overall reflected in the acute portfolio is a function of how the market has behaved.

Abdulkader Puranwala: Got it. Thanks for that. And just one final one if I may. So, on the CDMO business, are we still holding on to our previous guidance of 12% to 14% growth this year?



Kunal Khanna: Yes, we should be able to maintain that growth momentum. If you look at the quarter growth, as Nikhil mentioned earlier, we grew at 20%. Our H1 growth also currently is looking at 14%. So, we continue to see the momentum being driven forward also. And we should end the year with close to 12% to 14% growth for CDMO.

Abdulkader Puranwala: Sure. Thank you.

Jason D'Souza: Thanks, Abdul. We have two questions which have come in on the wall. One is on the OPTHAL segment. How do we see the performance of the OPTHAL segment in the first half of this year?

Kunal Khanna: On the OPTHAL portfolio, the overall momentum which we were able to drive because of prescriber expansion, we continue to see good results coming as a result of that. If you look at the overall math numbers for the OPTHAL portfolio in our covered markets, we have grown at almost 16%, whereas the market has grown at close to 8%. We have already hit a monthly run rate of close to INR17 crore to INR18 crore and we will continue to drive that going forward as well.

Nikhil Chopra: In OPTHAL, couple of new launches also we have done organically in the age of trails which significantly also showing a good traction and our coverage overall also improve in the world ophthalmology in the doctor community which also is helping to improve the prescriber base.

Jason D'Souza: Right. The second question that we have is what is going to be capex for the entire year?

Kunal Khanna: Capex for the entire year, as mentioned earlier, also will be close to INR100 crore. We have always maintained that our maintenance capex is in the range of INR60 crore to INR65 crore. There is greenfield capex and this year, greenfield capex was largely attributed to the new IV line, which is also going to get commissioned within the next two months. So, a major part of our greenfield capex also has been absorbed this year.

Jason D'Souza: The last question which has come in, you have seen some growth in the API business. Any views on that?

Kunal Khanna: We want to maintain a quarterly run rate of INR25 crore on the API side. H1 has been good so far, but as we have always maintained, it is not a function of any new launches. As far as our API business goes, we want to maximize the market with our current portfolio only and rather actually focus on API units serving the captive requirements and that will continue to be the focus going ahead as well.

Jason D'Souza: Yes, we can go back to the queue. Thank you.

Moderator: Thank you. Our next question comes from the line of Neelam Punjabi from Perpetuity. Please go ahead.

Neelam Punjabi: Yes. Thanks for the opportunity. My first question is on the MR productivity. So, you mentioned it is at 6.7 lakhs. So, what is the target for this productivity level over the next couple of years and at what level would we then evaluate and add to our field force?



Nikhil Chopra: So, Neelam, just to correct you, the productivity trending this year is INR7.5 lakhs, not INR6.7 lakhs.

Neelam Punjabi: All right. My bad. Sorry.

Nikhil Chopra: And that is what we have guided also. So, we have taken an internal aspiration that we would like to at least touch INR8 lakh productivity, which would be a good productivity for the portfolio mix that we have got. And by that time, at least we will think in terms of if you want to add the field force on the ground. That we have guided earlier.

Neelam Punjabi: Got it. Okay. And my second question is on the international formulations business. Could you provide a breakout for the first half in Brazil, South Africa and US? What is the revenue split between the three?

Kunal Khanna: We do not provide a breakup of geographies, Neelam. But just to give you a broad sense, in our key markets, Russia CIS continues to perform well. South Africa and US was slightly muted, but given the order of the situation, we see then the tragic changing there in H2. APAC is on a good track as well. And that will continue also in our key markets and that is how the trending will happen.

Neelam Punjabi: Got it. That is it from my end. Thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Nikhil Chopra for closing comments.

Nikhil Chopra: Thank you all for coming for the investor conference call for JB. And we continue to outperform the market, particularly what is happening in Indian pharma market, growing at 300 to 400 bids better than the market. A lot of marquee projects are on in the world of CDMO, which will help us to drive mid-teens growth for CDMO business.

And as right now, our India plus CDMO contribution is close to 70%, which will only go up to 75% percent, 75% to 80% in the coming time. And that will help us to drive better EBITDA margins and continue to guide the state in terms of any revision that we want to do in terms of our cost margins as well as EBITDA margins. Thank you all once again. Thank you.

Moderator: Thank you. On behalf of JB Pharma, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

