

Blue Jet Healthcare (BLUEJET) - ADD

Result Update

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| Current Market Price (CMP) Rs.481 | Fair Value (FV) Rs 505 |
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Rationale:

- Blue Jet reported a fine Q4FY26, as robust contrast media sales offset continued weakness in PI & API sales.
- Blue Jet is now confident that inventory destocking in PI & API is now behind and it expects sales to pick up hereon.
- Moreover, Blue Jet is guiding for healthy double-digit growth in contrast media, led by mid-single-digit growth in ABA HCL in FY27E.
- Following a muted FY26, we bake in ~23% EBITDA CAGR over FY26-29E, led by improved PI & API sales, volume growth in ABA HCL and new launches across segments.
- Intermediate CDMO with a twist; retain ADD with FV of Rs505.

Positives:

- Blue Jet reported sales of Rs230 cr (+22% qoq, (-)31% yoy).
- Gross margins, at 56.4% (+540 bps versus KIE), improved 150 bps yoy, mainly driven by favorable product mix and higher sales of contrast media intermediates.
- Reported EBITDA, at Rs71.3 cr ((-)49% yoy, +52% qoq), beat our estimates by 42% (~14% beat on consensus).
- Reported PAT, at Rs64.3 cr ((-)42% yoy, +60% qoq), beat our estimates by 49% (~21% beat on consensus estimates).

Negatives:

- Adjusted PAT declined 42% yoy in Q4FY26.

(EPS: Earnings Per Share, CAGR: Compound Annual Growth Rate, EBITDA - Earnings before Interest, Tax, Depreciation, and Amortisation)



The content of this document has been derived from KIE research report. Kotak's PCG Research has summarized the report (Research Team: shrikant.chouhan@kotak.com). Readers who wish to access the complete report are kindly requested to contact their respective Relationship Manager. Further, the recipient of this material should take their own professional advice before investing.

Holding Period: 12 months

RATING SCALE (PRIVATE CLIENT GROUP)

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- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
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- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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