

November 10, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	4,200		4,000	
Sales (Rs. m)	1,45,058	1,62,294	1,45,058	1,62,294
% Chng.	-	-	-	-
EBITDA (Rs. m)	49,352	56,772	49,352	56,772
% Chng.	-	-	-	-
EPS (Rs.)	91.8	111.7	91.9	111.8
% Chng.	(0.1)	(0.1)	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	1,15,160	1,29,624	1,45,058	1,62,294
EBITDA (Rs. m)	37,210	43,094	49,352	56,772
Margin (%)	32.3	33.2	34.0	35.0
PAT (Rs. m)	19,110	24,735	31,024	37,767
EPS (Rs.)	57.2	73.2	91.8	111.7
Gr. (%)	23.4	27.8	25.4	21.7
DPS (Rs.)	32.0	30.0	40.0	40.0
Yield (%)	0.9	0.8	1.1	1.1
RoE (%)	26.8	30.0	32.2	32.9
RoCE (%)	27.3	33.4	38.1	40.3
EV/Sales (x)	10.7	9.4	8.3	7.3
EV/EBITDA (x)	33.1	28.3	24.4	20.9
PE (x)	62.5	48.9	39.0	32.0
P/BV (x)	15.9	13.6	11.6	9.6

Key Data

TORP.BO | TRP IN

52-W High / Low	Rs.3,790 / Rs.2,886
Sensex / Nifty	83,216 / 25,492
Market Cap	Rs.1,212bn/ \$ 13,665m
Shares Outstanding	338m
3M Avg. Daily Value	Rs.864.39m

Shareholding Pattern (%)

Promoter's	68.31
Foreign	15.92
Domestic Institution	9.17
Public & Others	6.60
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	1.2	8.8	13.2
Relative	(0.3)	5.6	8.2

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BGx segments continue to outperform

Quick Pointers:

- Minimal GST impact (~0.5%); operations normalized post-September rollout.
- JBCChem operational control likely from Jan'26.

Torrent Pharma's (TRP) Q2FY26 EBITDA was in line with our estimates. Our FY26/ FY27E EBITDA broadly remain unchanged. TRP reported Rs 90bn (80% of total sales) worth of highly profitable branded formulation (BGx) sales spread across India, Brazil and RoW markets. The acquisition of JB Chemicals & Pharma (JBCP) appears strategically compelling, making it the 5th largest player in the domestic pharma market. This will further be strengthening its position in high-margin chronic therapies and opens up many newer therapeutic areas. The deal also adds JBCP's CDMO vertical, offering diversification and growth optionality.

The deal is considered financially attractive and strategically sound with long-term earnings accretion. TRP trades at 23.5x and 20x EV/EBITDA on FY27E and FY28E for the combined business. We maintain our Accumulate with revised TP of Rs4,200/share, valuing at 25x EV/EBITDA on Sept 2027E for combined entity. Guidance for key synergies from JBCP deal will key.

- Domestic and RoW markets aids growth YoY:** Revenues grew by 14.3% YoY to Rs 33bn, 3% above our estimates. Domestic business grew by 11.5% YoY. US sales improved 7% QoQ to \$38.6mn. Brazil market was up 21% YoY. CC growth was strong at 13% YoY. Top brands and new launches supported growth. Germany delivered growth of 5% YoY to Rs 3bn. CC growth was down by 5% impacted due to certain supply disruption. RoW including CRAMS growth was healthy at 46% YoY.
- In line EBITDA:** GM down by 80bps YoY at 75.7%. TRP reported EBITDA of Rs 10.8bn (up 15% YoY), in line with our estimates. Other income came in negative to the tune of Rs 270mn led by forex loss of Rs390mn. Other expenses were up 9% YoY and 3% QoQ. PAT stood at Rs 5.9bn (up 30% YoY); in line with our estimates.
- Key concall takeaways: India:** Growth drivers: Volume +3.7%, Price +5.5%, New products +3%. Chronic business grew 13% vs 11% for IPM, led by Cardiac (+14%), Gastro (+15%), Derma (+29%, incl. Curatio). Minimal GST impact (~0.5%); operations normalized post-September rollout. Pricing environment normalized, expecting 5–6% price growth going forward. Field force expanded to 6,800 reps (vs 6,600 in Q1); target 7,000 by FY26E. Expansion largely in Cardiac, Diabetes, CNS.
- Curatio** continues to outperform; +29% YoY in Q2, aided by higher ad spends and new region expansion.

- **Brazil:** Growth led by volume expansion and mid-single-digit price increases. Therapy focus: CNS, Cardiac, and Diabetes; next wave of launches to include GLP-1 analogs (Semaglutide). Market is shifting from Ozempic to Wegovy; expect to be in first wave and likely to capture 10-15% market share. Torrent has 65 products pending approval with ANVISA
- **Semaglutide:** Filed in Brazil; approval awaited from ANVISA. India launch planned in first wave upon market formation; injectable to precede oral by a few months. Targets 10–15% market share in Semaglutide on commercialization in Brazil.
- **Germany:** Supply disruption at third-party supplier which impacted sales; expected to normalize by Q4FY26E. Payables lower due to early settlement discounts in Germany.
- **US markets:** Growth supported by new launches and volume ramp-up on existing contracts. Expect 4–5 product launches in FY26E, rising to ~10 in FY27E and ~15 in FY28E as pipeline accelerates. Exploring partnerships for select complex products and injectables
- **JBChemical Acquisition:** Operational control likely from Jan'26. Synergy details to be shared post-integration; mgmt indicates potential to enhance branded portfolio leverage across markets
- **Other: Capex:** Rs 2bn in H1; Rs 3bn expected in FY26E; sustainable at Rs 2.5-3bn annually for next 3 years. Forex loss: Rs 390 Mn in Q2 (recorded in other income)

Exhibit 1: Q2FY26 Result Overview (Rs mn): EBITDA in line, Revenue growth remain intact

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var	Q1FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Net Sales	33,020	28,890	14.3	32,128	2.8	31,780	3.9	64,800	57,480	12.7
Raw Material	8,000	6,780	18.0	7,807	2.5	7,740	3.4	15,740	13,720	14.7
% of Net Sales	24.2	23.5		24.3		24.4		24.3	23.9	
Personnel Cost	6,270	5,430	15.5	6,027	4.0	6,050	3.6	12,320	10,930	12.7
% of Net Sales	19.0	18.8		18.8		19.0		19.0	19.0	
Others	7,920	7,290	8.6	7,500	5.6	7,670	3.3	15,590	14,400	8.3
% of Net Sales	24.0	25.2		23.3		24.1		24.1	25.1	
Total Expenditure	22,190	19,500	13.8	21,335	4.0	21,460	3.4	43,650	39,050	11.8
EBITDA	10,830	9,390	15.3	10,794	0.3	10,320	4.9	21,150	18,430	14.8
Margin (%)	32.8	32.5		33.6		32.5		32.6	32.1	
Depreciation	2,040	1,980	3.0	2,010	1.5	2,010	1.5	4,050	3,950	2.5
EBIT	8,790	7,410	18.6	8,784	0.1	8,310	5.8	17,100	14,480	18.1
Other Income	(270)	(160)	68.8	300	(190.0)	(370)	(27.0)	-640	80	(900.0)
Interest	480	640	(25.0)	560	(14.3)	560	(14.3)	1,040	1,390	(25.2)
PBT	8,040	6,610	21.6	8,524	(5.7)	7,380	8.9	15,420	13,170	17.1
Total Taxes	2,000	2,080	(3.8)	2,216	(9.8)	1,900	5.3	3,900	4,070	(4.2)
ETR (%)	24.9	31.5		26.0		25.7		25.3	30.9	
Minority Interest	-	-		-		-		-	-	
Reported PAT	6,040	4,530	33.3	6,308	(4.2)	5,480	10.2	11,520	9,100	26.6
Extra-Ord. Inc./Exps.	-	-		-		-		-	-	
Adjusted PAT	6,040	4,530	33.3	6,308	(4.2)	5,480	10.2	11,520	9,100	26.6

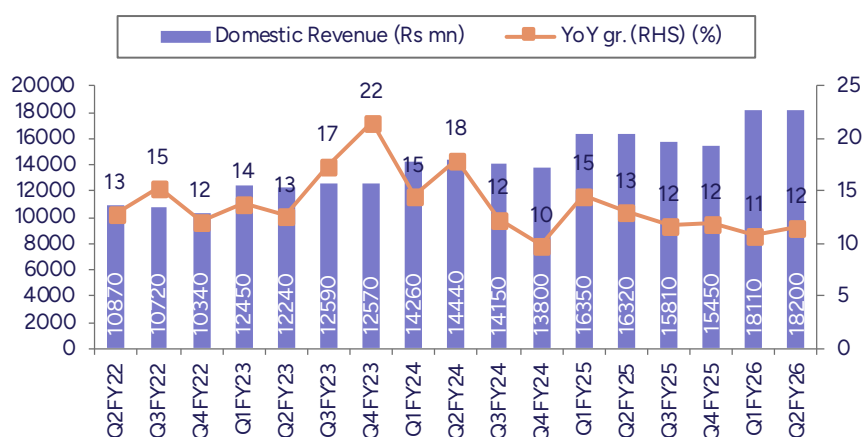
Source: Company, PL

Exhibit 2: Sources of Revenue – Branded generics perform well YoY

Y/e March	Q2FY26	Q2FY25	YoY gr. (%)	Q1FY26	QoQ gr. (%)	H1 FY26	H1 FY25	YoY gr. (%)
Domestic Sales	18,200	16,320	11.5	18,110	0.5	36,310	32,670	11.1
Branded Business	18,200	16,320	11.5	18,110	0.5	36,310	32,670	11.1
% of sales	55.1	56.5		57.0		63.2	56.8	
Exports	14,820	12,570	17.9	13,670	8.4	28,490	24,810	14.8
% of sales	44.9	43.5		43.0		49.6	43.2	
Brazil	3,180	2,630	20.9	2,180	45.9	5360	4,590	16.8
% of sales	9.6	9.1		6.9		9.3	8.0	
USA	3,370	2,680	25.7	3,080	9.4	6450	5,270	22.4
% of sales	10.2	9.3		9.7		11.2	9.2	
Germany	3,030	2,880	5.2	3,080	(1.6)	6110	5,720	6.8
% of sales	9.2	10.0		9.7		10.6	10.0	
Others	5,240	4,380	19.6	5,330	(1.7)	10570	9,230	14.5
% of sales	15.9	15.2		16.8		18.4	16.1	
Total Sales	33,020	28,890	14.3	31,780	3.9	64,800	57,480	12.7

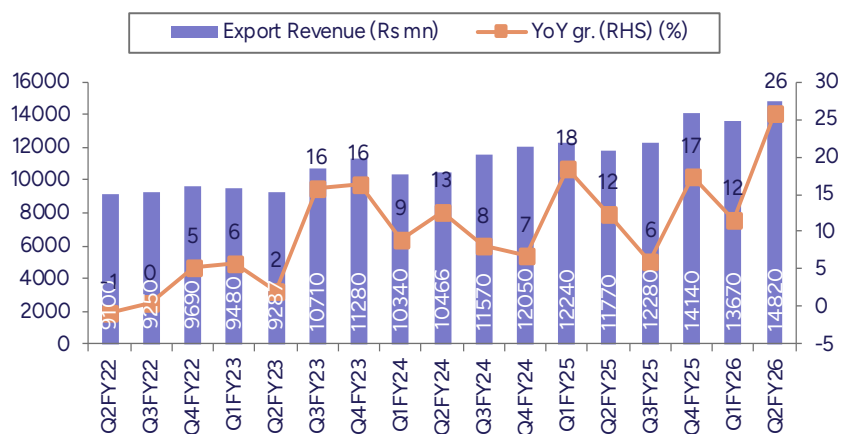
Source: Company, PL

Exhibit 3: Domestic Sales (Rs mn): Chronic business remained healthy YoY



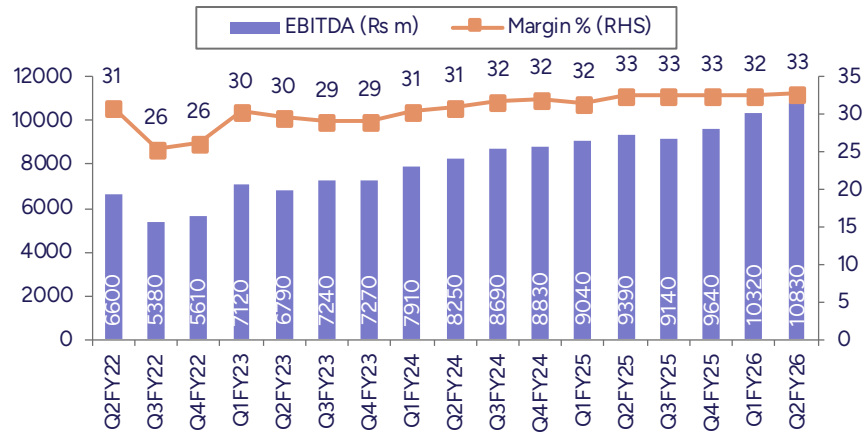
Source: Company, PL

Exhibit 4: Higher growth from RoW markets



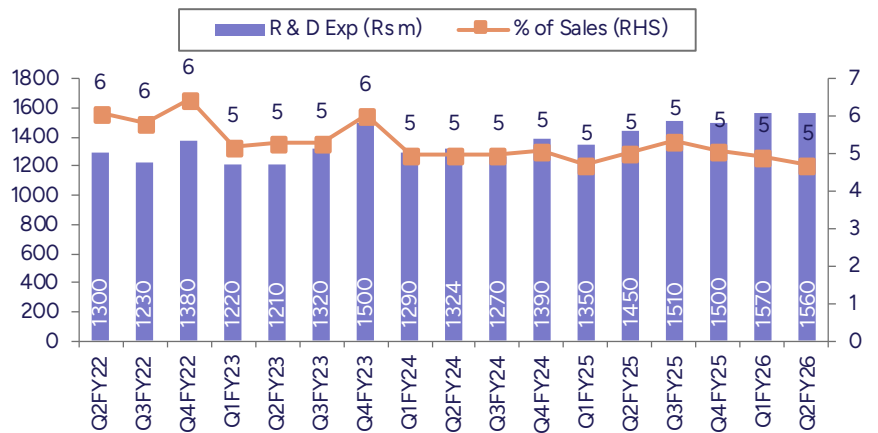
Source: Company, PL

Exhibit 5: Sustainable margins



Source: Company, PL

Exhibit 6: Steady R&D spend



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	1,15,160	1,29,624	1,45,058	1,62,294
YoY gr. (%)	7.3	12.6	11.9	11.9
Cost of Goods Sold	27,760	30,885	34,334	37,990
Gross Profit	87,400	98,739	1,10,724	1,24,304
Margin (%)	75.9	76.2	76.3	76.6
Employee Cost	22,030	24,674	27,388	30,400
Other Expenses	14,237	15,795	17,443	19,266
EBITDA	37,210	43,094	49,352	56,772
YoY gr. (%)	10.5	15.8	14.5	15.0
Margin (%)	32.3	33.2	34.0	35.0
Depreciation and Amortization	7,950	8,030	8,110	8,191
EBIT	29,260	35,065	41,242	48,581
Margin (%)	25.4	27.1	28.4	29.9
Net Interest	2,520	1,297	702	248
Other Income	230	(342)	1,103	2,361
Profit Before Tax	26,970	33,425	41,643	50,694
Margin (%)	23.4	25.8	28.7	31.2
Total Tax	7,620	8,691	10,619	12,927
Effective tax rate (%)	28.3	26.0	25.5	25.5
Profit after tax	19,350	24,735	31,024	37,767
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	19,110	24,735	31,024	37,767
YoY gr. (%)	15.4	29.4	25.4	21.7
Margin (%)	16.6	19.1	21.4	23.3
Extra Ord. Income / (Exp)	240	-	-	-
Reported PAT	19,350	24,735	31,024	37,767
YoY gr. (%)	23.4	27.8	25.4	21.7
Margin (%)	16.8	19.1	21.4	23.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	19,350	24,735	31,024	37,767
Equity Shares O/s (m)	338	338	338	338
EPS (Rs)	57.2	73.2	91.8	111.7

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	1,40,261	1,44,261	1,49,261	1,54,261
Tangibles	54,702	56,262	58,212	60,162
Intangibles	85,559	87,999	91,049	94,099
Acc: Dep / Amortization	64,191	72,220	80,330	88,521
Tangibles	64,191	72,220	80,330	88,521
Intangibles	-	-	-	-
Net fixed assets	76,070	72,041	68,931	65,740
Tangibles	(9,489)	(15,958)	(22,118)	(28,359)
Intangibles	85,559	87,999	91,049	94,099
Capital Work In Progress	8,170	8,170	8,170	8,170
Goodwill	-	-	-	-
Non-Current Investments	440	440	440	440
Net Deferred tax assets	(2,340)	(2,340)	(2,340)	(2,340)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	1,120	1,120	1,120	1,120
Inventories	25,410	28,361	31,791	35,621
Trade receivables	18,670	21,271	23,843	26,716
Cash & Bank Balance	5,790	4,800	12,255	27,772
Other Current Assets	8,200	8,610	9,041	9,493
Total Assets	1,43,950	1,44,892	1,55,670	1,75,151
Equity				
Equity Share Capital	1,690	1,690	1,690	1,690
Other Equity	74,220	87,091	1,02,297	1,24,245
Total Network	75,910	88,781	1,03,987	1,25,935
Non-Current Liabilities				
Long Term borrowings	11,920	8,920	5,920	2,920
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	18,340	6,340	2,340	-
Trade payables	18,200	21,271	23,843	26,716
Other current liabilities	17,240	17,240	17,240	17,240
Total Equity & Liabilities	1,43,950	1,44,892	1,55,670	1,75,151

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	26,740	33,768	40,540	48,333
Add. Depreciation	7,950	8,030	8,110	8,191
Add. Interest	2,520	1,297	702	248
Less Financial Other Income	230	(342)	1,103	2,361
Add. Other	-	-	-	-
Op. profit before WC changes	37,210	43,094	49,352	56,772
Net Changes-WC	(4,810)	(2,891)	(3,860)	(4,282)
Direct tax	(6,030)	(8,691)	(10,619)	(12,927)
Net cash from Op. activities	26,370	31,513	34,873	39,563
Capital expenditures	(6,290)	(4,000)	(5,000)	(5,000)
Interest / Dividend Income	-	-	-	-
Others	-	-	-	-
Net Cash from Inv. activities	(6,290)	(4,000)	(5,000)	(5,000)
Issue of share cap. / premium	-	-	-	-
Debt changes	(9,260)	(15,000)	(7,000)	(5,340)
Dividend paid	(10,830)	(11,864)	(15,818)	(15,818)
Interest paid	(2,520)	(1,297)	(702)	(248)
Others	(70)	(342)	1,103	2,361
Net cash from Fin. activities	(22,680)	(28,503)	(22,418)	(19,046)
Net change in cash	(2,600)	(990)	7,455	15,517
Free Cash Flow	20,260	27,513	29,873	34,563

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	28,090	29,590	31,780	33,020
YoY gr. (%)	2.8	7.8	11.2	14.3
Raw Material Expenses	6,730	7,310	7,740	8,000
Gross Profit	21,360	22,280	24,040	25,020
Margin (%)	76.0	75.3	75.6	75.8
EBITDA	9,140	9,640	10,320	10,830
YoY gr. (%)	5.2	9.2	14.2	15.3
Margin (%)	32.5	32.6	32.5	32.8
Depreciation / Depletion	1,990	2,010	2,010	2,040
EBIT	7,150	7,630	8,310	8,790
Margin (%)	25.5	25.8	26.1	26.6
Net Interest	570	560	560	480
Other Income	330	(180)	(370)	(270)
Profit before Tax	6,910	6,890	7,380	8,040
Margin (%)	24.6	23.3	23.2	24.3
Total Tax	1,880	1,670	1,900	2,000
Effective tax rate (%)	27.2	24.2	25.7	24.9
Profit after Tax	5,030	5,220	5,480	6,040
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	5,030	4,980	5,480	6,040
YoY gr. (%)	13.5	10.9	19.9	33.3
Margin (%)	17.9	16.8	17.2	18.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	5,030	4,980	5,480	6,040
YoY gr. (%)	13.5	10.9	19.9	33.3
Margin (%)	17.9	16.8	17.2	18.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,030	4,980	5,480	6,040
Avg. Shares O/s (m)	338	338	338	338
EPS (Rs)	14.9	15.4	16.2	17.5

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	57.2	73.2	91.8	111.7
CEPS	80.1	96.9	115.8	136.0
BVPS	224.6	262.7	307.7	372.6
FCF	59.9	81.4	88.4	102.3
DPS	32.0	30.0	40.0	40.0
Return Ratio(%)				
RoCE	27.3	33.4	38.1	40.3
ROIC	21.4	25.2	29.0	33.2
RoE	26.8	30.0	32.2	32.9
Balance Sheet				
Net Debt : Equity (x)	0.3	0.1	0.0	(0.2)
Net Working Capital (Days)	82	80	80	80
Valuation(x)				
PER	62.5	48.9	39.0	32.0
P/B	15.9	13.6	11.6	9.6
P/CEPS	44.7	36.9	30.9	26.3
EV/EBITDA	33.1	28.3	24.4	20.9
EV/Sales	10.7	9.4	8.3	7.3
Dividend Yield (%)	0.9	0.8	1.1	1.1

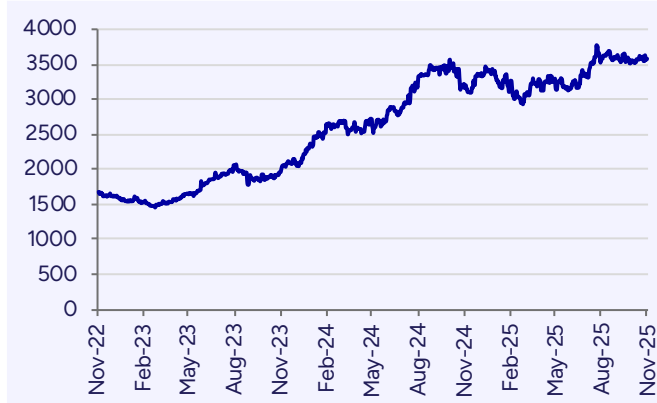
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Domestic	63,930	71,871	80,496	90,155
Export	48,230	54,543	61,128	68,463
Contract Manufacturing	3,000	3,210	3,435	3,675

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Oct-25	Accumulate	4,000	3,539
2	29-Jul-25	Accumulate	4,000	3,623
3	08-Jul-25	Accumulate	3,850	3,354
4	01-Jul-25	Accumulate	3,850	3,408
5	21-May-25	Accumulate	3,670	3,233
6	08-Apr-25	Accumulate	3,750	3,234
7	27-Jan-25	Accumulate	3,750	3,248
8	08-Jan-25	Accumulate	3,600	3,404

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	7,700
3	Aster DM Healthcare	BUY	700	662
4	Aurobindo Pharma	BUY	1,300	1,141
5	Cipla	Accumulate	1,675	1,541
6	Divi's Laboratories	Accumulate	6,550	6,105
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	1,720	1,521
15	Krishna Institute of Medical Sciences	BUY	815	706
16	Lupin	BUY	2,400	1,925
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	4,000	3,539
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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(Indian Clients)

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