

Result Update

Q2 FY26

Torrent Pharmaceuticals Ltd.

Institutional
Research

Torrent Pharmaceuticals Ltd.



BP WEALTH

Pharma | Q2FY26 Result Update

10th November 2025

Branded strength and global expansion propel sustained growth across key markets

Result Highlights

Torrent Pharma reported revenue growth of 14.3% YoY / up 3.9% QoQ to Rs. 3,302 crores, above market expectations of Rs. 3,089 crores. Branded markets accounted for 73% of total revenue, with the two largest markets, India and Brazil, delivering healthy double-digit growth. The India business grew 12% YoY, significantly outpacing the IPM growth of 8%, driven by chronic business growth of 13%. In Brazil, sales increased 20.9% YoY, led by new product launches over the last two years, including significant contributions from products launched in large markets. On the generic front, the US business grew 25.7% primarily from new launches and increased volumes on existing contracts. However, the German business saw a 5% constant-currency revenue decline due to persistent supply disruptions at a third-party supplier, which is expected to continue impacting Q3 performance. EBITDA increased 15.3% YoY / up 4.9% QoQ to Rs. 1,083 crores, while EBITDA margin stood at 32.8% (above 30bps YoY / up 33bps QoQ) in Q2FY26. Profit after Tax stood at Rs. 591 crores (up 30.5% YoY / up 7.8% QoQ) in Q2FY26. The PAT margin was 17.9% versus 17.2% in the previous quarter. Strategically, the company has received necessary approvals for the JB acquisition from the Competition Commission of India and South Africa, as well as SEBI approval for the minimum tender offer, with the transaction closing anticipated in January. Furthermore, Torrent is preparing for the highly anticipated semaglutide opportunity, confirming that its application has been filed with ANVISA in Brazil and is aiming for approval in the first wave of market entry.

Valuation and Outlook:

Torrent Pharma continues to deliver strong execution across key branded markets, underpinned by healthy growth in India and Brazil and a sustained recovery in the US business. The India business remains the key value driver, growing 12% annually, outpacing IPM growth, led by strong traction in chronic therapies such as Cardiac (+14%), Gastro (+15%), and Derma (+29%), supported by the Curatio portfolios. The company's consistent brand performance, with 21 brands in the IPM top 500 and 15 with sales above Rs. 100 crores, strengthens its visibility and competitive edge. On the International front, Brazil continues to deliver double-digit growth, supported by new product launches and favourable pricing trends. The company's pipeline in Brazil remains strong, with 65 molecules awaiting ANVISA approval, including semaglutide, a key future growth catalyst with the potential to contribute materially to revenues post-approval. The US business witnessed robust growth, driven by new launches and more substantial market-share gains, while Germany's recovery is expected to begin in Q4FY26 as third-party supply disruptions normalize. As we advance, the company remains focused on organic and inorganic growth levers. The acquisition of JB Chemicals, expected to close by January 2026, is likely to enhance Torrent's branded portfolio and improve therapeutic diversification, offering meaningful cost and revenue synergies over the next two to three years. In India, field force expansion to 7,000 MRs by FY26 end and planned entry into a new therapy area are expected to sustain mid-teen growth momentum. Overall, Torrent Pharma is well-positioned for sustained growth, stable margins, and improved profitability across key markets.

Key Highlights

Particulars (Rs. Crs)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)
Net Sales	3,302	2,889	14.3%	3,178	3.9%
Gross Profit	2,502	2,211	13.2%	2,404	4.1%
Gross Margin (%)	75.8%	76.5%	-76bps	75.6%	13bps
EBITDA	1,083	939	15.3%	1,032	4.9%
OPM (%)	32.8%	32.5%	30bps	32.5%	33bps
PAT	591	453	30.5%	548	7.8%
PAT Margin (%)	17.9%	15.7%	222bps	17.2%	65bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	3,818
BSE code	500420
NSE Symbol	TORNTPHARM
Bloomberg	TRP IN
Reuters	TORP.BO

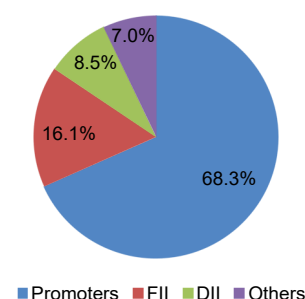
Key Data

Nifty	25,574
52 Week H/L (Rs.)	3,835 / 2,886
O/s Shares (Crs)	33.8
Market Cap (Rs. bn)	1,292
Face Value (Rs.)	5

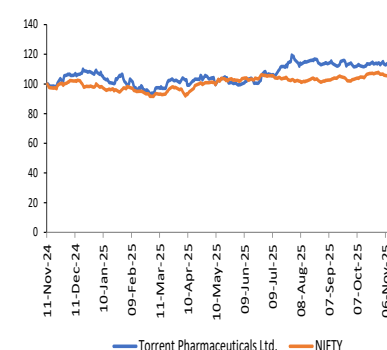
Average Volume

3 months	471,460
6 months	439,420
1 year	432,310

Share Holding (%)



Relative Price Chart



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Key Concall Highlights

Indian Business Outlook:

Torrent Pharmaceuticals remains optimistic and focused on sustaining its market outperformance. In Q2FY26, the India business grew ahead of the IPM, with Torrent's chronic portfolio increasing 12% compared to the IPM's 8% led by strong traction in chronic therapies such as Cardiac (+14%), Gastro (+15%), and Derma (+29%), including a 29% growth in the Curatio portfolio. The company continues to gain market share in key chronic segments, such as cardiac, diabetes, and CNS, driven by new product launches and improving field productivity. Management expects the India business to continue outpacing the market, driven by a balanced mix of price, volume, and new launches (5.5%, 3.7%, and 3% contribution, respectively). The company's focus remains on expanding its chronic and sub-chronic presence, improving MR productivity, and driving growth from its top-performing brands. The company also hinted at entering a new therapeutic area by Q4FY26, further strengthening its domestic portfolio.

Field Force Expansion:

The company is actively expanding its field force to strengthen its presence in the domestic market and support future growth. Torrent expanded its field force to 6,800 MRs as of Q2FY26, up from 6,600 in the previous quarter, and plans to reach 7,000 MRs by FY26-end. Over the past 18 months, Torrent has added nearly 1,200 representatives across therapeutic areas, including cardiac, gastro, diabetes, dermatology, pain management, and VMN. Management highlighted that the expansion has already begun yielding results through higher volume growth and improved coverage in previously underpenetrated regions.

"Torrent expects to outperform the IPM in FY26."

R&D:

The company plans to step up R&D investments to support its medium-term growth ambitions, particularly in the US and emerging markets. R&D spending is guided to remain at around 5–5.5% of sales in H2FY26. The company expects to file 4–5 ANDAs in FY26, increasing to about 10 filings in FY27 and 15 filings in FY28 as it accelerates pipeline development to recover from the past two-year slowdown.

US Business Outlook:

The company is poised for a gradual recovery, with healthy growth expected in FY26 and more meaningful traction anticipated from FY27 onward. The company has achieved its targeted share in recent launches and continues to see improved purchase volumes. Management remains focused on returning the US business to sustainable profitability, leveraging existing infrastructure rather than pursuing major CapEx expansions.

"The company anticipates an increase in R&D spending in FY26 as part of its growth and pipeline development strategy."

Brazil Business Outlook:

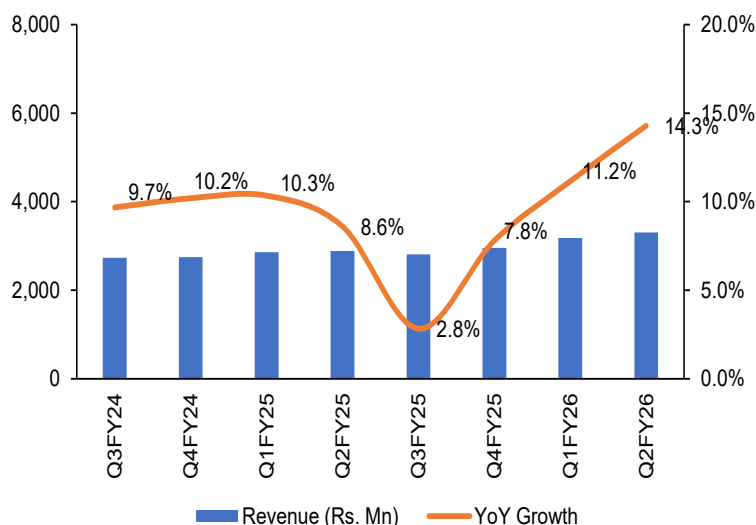
The Brazilian business delivered healthy double-digit growth in Q1FY26, significantly outperforming the market, which grew at 7% according to IQVIA. The company's Brazil portfolio now includes a rich pipeline of 65 molecules filed with ANVISA, including semaglutide, which represents a significant future opportunity. Management targets a 10-15% market share in semaglutide once approved and expects it to be a substantial growth driver over the next few years. The company continues to focus on CNS, cardiology, and diabetes segments, with expectations of steady, double-digit growth sustained by a mix of new launches and volume-driven expansion.

German Business Outlook:

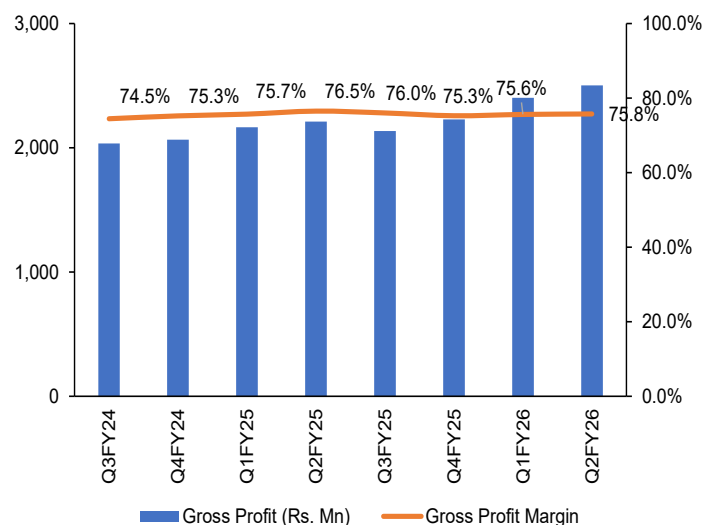
The company remains cautious on its German business in the near term due to ongoing supply disruptions at a key third-party partner, which impacted performance during the quarter. Despite temporary headwinds, Torrent remains committed to maintaining its presence in Germany by leveraging its branded generics and speciality portfolio. The company expects gradual recovery and stabilization in FY27 once supply bottlenecks ease, supporting the broader international growth trajectory.

Quarterly Snapshots

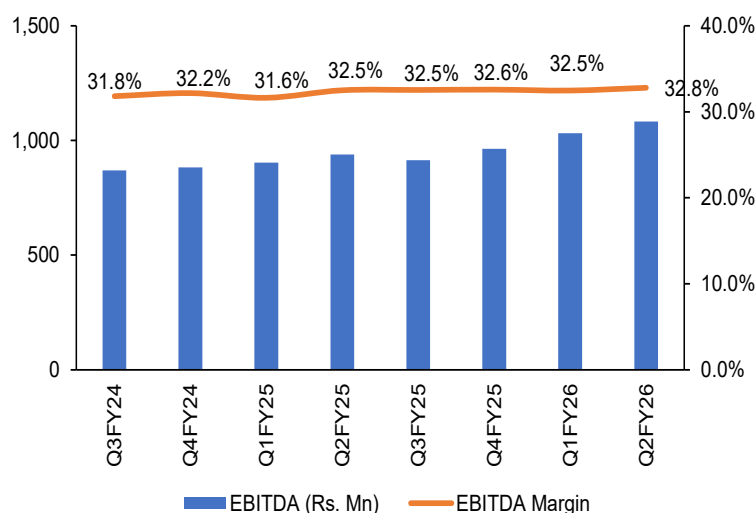
Revenue grow at steady pace



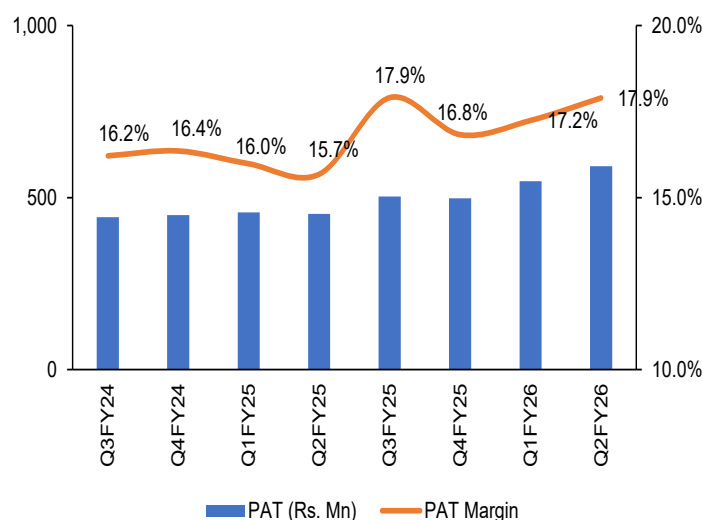
Gross Margin remains stable



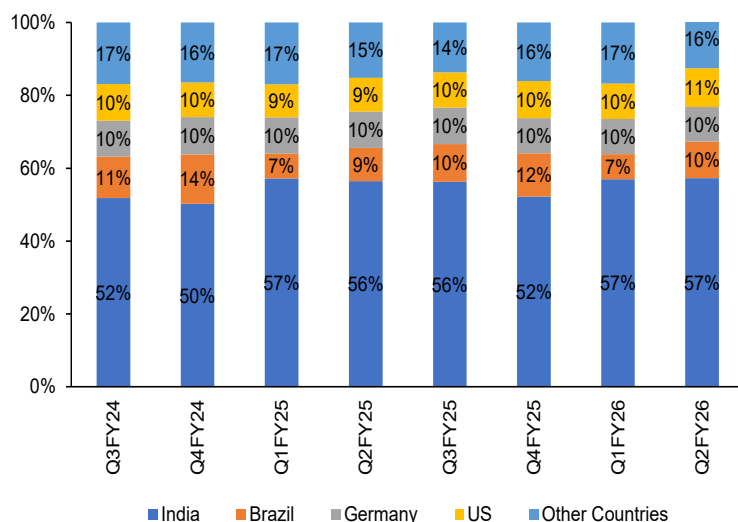
Operating Margin remains consistent



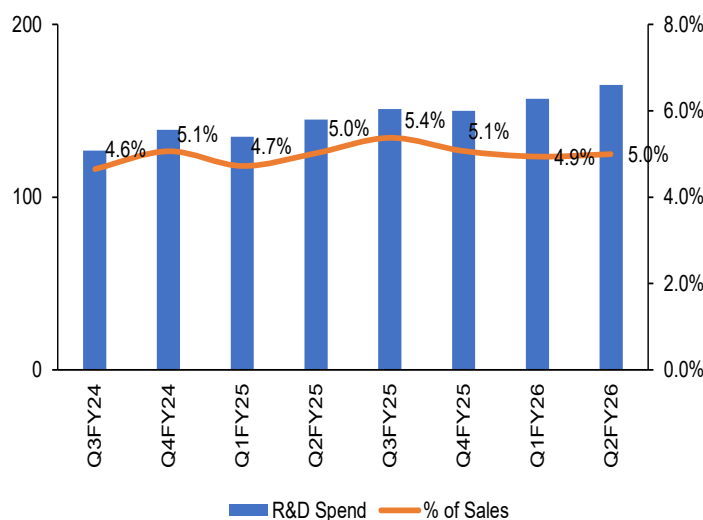
PAT Margin improved



Geographical Revenue mix



R&D spend



Source: Company, Bpwealth Research

Key Financials						
YE March (Rs. Crs)	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	8508	9620	10728	11516	13,018	15,112
Growth %	6.3%	13.1%	11.5%	7.3%	13.0%	16.1%
EBIDTA	2431	2842	3368	3721	4303	4986
Growth%	-2.0%	16.9%	18.5%	10.5%	15.6%	15.9%
Net Profit	777	1245	1656	1911	2454	2944
Growth %	-37.9%	60.2%	33.0%	15.4%	28.4%	20.0%
Diluted EPS	23.0	36.8	48.9	56.5	72.6	87.1
Profitability & Valuation						
EBIDTA (%)	28.6%	29.5%	31.4%	32.3%	33.1%	33.0%
NPM (%)	9.1%	12.9%	15.4%	16.6%	18.9%	19.5%
ROE (%)	13.1%	20.1%	24.2%	25.2%	27.2%	26.8%
ROCE (%)	17.6%	18.5%	23.5%	27.1%	28.2%	27.3%
P/E (x)	166.3	103.8	78.1	67.6	52.6	43.9
EV/EBITDA (x)	54.6	47.1	39.3	35.4	30.6	26.3
Net Debt/EBITDA (x)	1.5	1.7	0.9	0.7	0.5	0.5

Source: Company, Bloomberg Estimates

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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