

Result Update

Q4 FY26

Torrent Pharmaceuticals Ltd.

Institutional
Research

India outperformance and semaglutide leadership strengthen growth visibility

Result Highlights

Torrent Pharma reported revenue growth of 44.3% YoY / 27.1 QoQ to Rs. 4,197 crores, above market expectations of Rs. 4,098 crores, supported by robust execution across domestic and international businesses, along with the consolidation of JB Pharma. The India business continued to outperform the industry, delivering 15% growth versus IPM growth of 10%, led by strong chronic traction, robust Curatio performance, and a strong semaglutide launch, driving continued market share gains through early-mover advantage. Internationally, Brazil saw a healthy 11% constant-currency growth, supported by strong traction in large therapies and new launches, and the US business delivered 9% constant-currency growth, driven by new launches and higher volumes in key products, with management guiding for steady single-digit growth over the next couple of years ahead of major product launches. The German business remained subdued due to third-party supply disruptions. EBITDA increased 48.4% YoY / up 24.6% QoQ to Rs. 1,356 crores, while EBITDA margin stood at 32.3% (above 89bps YoY / down 63bps QoQ) in Q4FY26. Profit after Tax stood at Rs. 364 crores (up 18.7% YoY / down 42.7% QoQ) in Q4FY26. The PAT margin was 8.7% versus 19.2% in the previous quarter. PAT was impacted by acquisition-related amortisation, integration costs, and higher finance expenses following the JB Pharma consolidation. Management expects semaglutide to become one of the largest growth drivers for the India business, with initial internal estimates suggesting an opportunity of Rs. 200–250 crore, materially ahead of earlier blockbuster launches. The Board has recommended a final dividend of Rs. 9 per equity share of face value of Rs 5.

Valuation and Outlook:

Torrent Pharmaceuticals delivered strong operational performance during the quarter, driven by robust momentum in its India business, healthy international traction, and early benefits from the JB Pharma consolidation. The domestic business continued to outperform the industry, led by chronic therapies, Curatio's portfolio strength, and a strong semaglutide launch, during which the company emerged as the leading generic player with significant market share gains. Brazil and US businesses also maintained healthy growth momentum supported by new launches and improved volumes, while operating margins remained buoyant above 32% despite integration-related expenses. However, reported PAT remained impacted by acquisition-related amortization, one-off integration costs, and elevated finance expenses post-JB Pharma acquisition. Management commentary remains constructive, with expectations of continued industry-leading India growth supported by semaglutide scale-up, chronic portfolio outperformance, an expanding speciality pipeline, and first-to-market launch opportunities. The company also expects synergy realisation from the JB Pharma integration to progress ahead of initial expectations, which should support margin expansion and operating leverage over the medium term. International businesses are expected to maintain steady growth, aided by strong product pipelines in Brazil, improving US traction, and emerging biosimilar opportunities in Europe. Overall, the company remains well-positioned for sustained earnings growth driven by differentiated launches, integration synergies, and strengthening presence across key therapeutic segments.

Key Highlights

Particulars (Rs. Crs)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	4,197	2,909	44.3%	3,303	27.1%
Gross Profit	3,182	2,178	46.1%	2,504	27.1%
Gross Margin (%)	75.8%	74.9%	94bps	75.8%	1bps
EBITDA	1,356	914	48.4%	1,088	24.6%
OPM (%)	32.3%	31.4%	89bps	32.9%	-63bps
PAT	364	448	18.8%	635	42.7%
PAT Margin (%)	8.7%	15.4%	-673bps	19.2%	-1,055bps

Source: Company, BP Equities Research

Sector Outlook

Positive

Stock

CMP (Rs.)	4,562
BSE code	500420
NSE Symbol	TORNTPHARM
Bloomberg	TRP IN
Reuters	TORP.BO

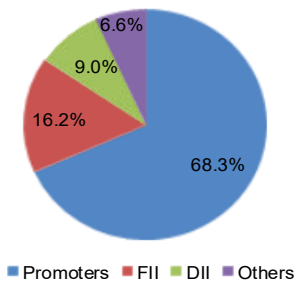
Key Data

Nifty	24,032
52 Week H/L (Rs.)	4,555 / 3,102
O/s Shares (Crs)	33.8
Market Cap (Rs. bn)	1,517
Face Value (Rs.)	5

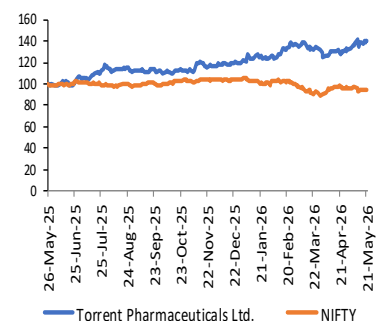
Average Volume

3 months	377,372
6 months	323,510
1 year	347,632

Share Holding (%)



Relative Price Chart



Research Analyst

Prathamesh Masdekar

Prathamesh.masdekar@bpwealth.com
022-61596158

Key Concall Highlights

Indian Business Outlook:

The India business outlook remains robust, supported by sustained outperformance in core chronic therapies and strong execution. The company reported 14% YoY growth in Q3FY26, ahead of IPM growth of ~10%, indicating continued market share gains. The performance was anchored by cardiac, gastro, and diabetes portfolios, reinforcing the structural strength of its chronic-heavy mix. The Curatio dermatology franchise maintained strong momentum, driven by OTC investments and field force expansion, with management confident of sustaining healthy growth in the near term. While the JB Chemicals acquisition may result in modest transition-related moderation in Q4, management expects normalization from Q1 onward. Initial synergies are expected to be cost-led, with meaningful revenue synergies likely from Year 2 post-integration.

Field Force Expansion:

The company continues to strengthen its domestic execution capabilities through calibrated expansion of its field force. MR strength increased to ~6,900 (vs ~6,800 in the prior quarter), with guidance to exceed 7,000 by FY26 and visibility toward ~7,500 by FY27. The expansion aligns with the strategic focus on chronic and sub-chronic therapies, enabling deeper doctor engagement, improved territory penetration, and sustained above-market growth.

R&D:

The company's R&D efforts in India remain directed toward strengthening the chronic portfolio through incremental innovations, new product introductions, and lifecycle management of existing brands. On the global front, the pipeline is being augmented with 5-7 launches annually targeted in the US, contingent on regulatory timelines. Additionally, filings in Brazil for semaglutide products have been prioritized by the regulator, indicating progress on high-value pipeline assets.

US Business Outlook:

The US business is positioned for gradual recovery from a relatively small base. Q3 revenues stood at ~\$36 million (12% constant currency growth), driven by new launches and improved contract volumes. Management acknowledged that the current annualized run rate of ~\$150-160 million remains below potential and has indicated a target to cross \$200 million annually, potentially by FY27, contingent on timely approvals and launch execution. The company plans 5-7 launches annually, with performance highly dependent on launch timing and competitive intensity.

Brazil Business Outlook:

Brazil continues to deliver steady growth, with Q3 constant-currency growth of ~10%, outpacing the ~7% market growth. Growth was supported by volume expansion and mid-single-digit pricing gains, though pricing growth has moderated amid lower inflation and competitive pressures. Ex-semaglutide, management guides for 10-15% medium-term secondary sales growth, supported by 5-6 annual launches. Semaglutide (Ozempic and later Wegovy equivalents) remains a key optionality, with filings under priority review at ANVISA, although pricing erosion could be significant depending on competitive intensity.

German Business Outlook:

The German business remains temporarily impacted by supply-side disruptions at a third-party supplier, resulting in a 6% constant currency decline in Q3FY26. Management indicated that the impact is fully reflected in current performance, with limited visibility on resolution timelines. Efforts are underway to qualify alternative suppliers and shift production to internal facilities; however, normalization may take 3-4 quarters due to regulatory processes in Europe. The issue is operational rather than structural, and recovery is expected upon supply stabilization.

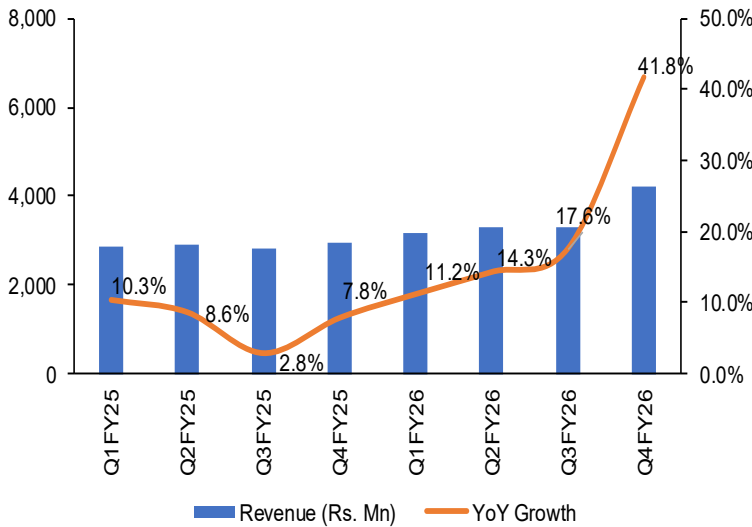
"Torrent may evaluate in-house manufacturing for semaglutide injectables if the opportunity scales meaningfully over the medium term."

"Management highlighted that semaglutide contribution in Q4 remained negligible as the launch happened only in the final days of March, indicating stronger revenue contribution likely from FY27 onwards."

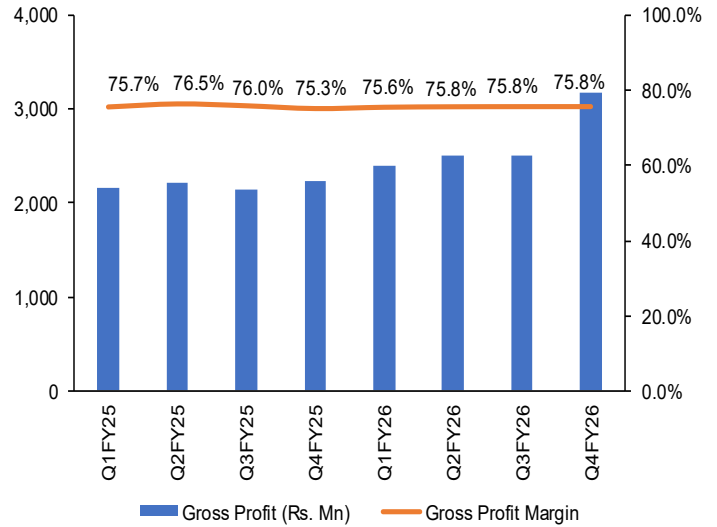
"Europe biosimilar strategy is gaining importance as regulatory changes now allow automatic substitution and tender participation, making the business model more aligned with Torrent's core generics capabilities."

Quarterly Snapshots

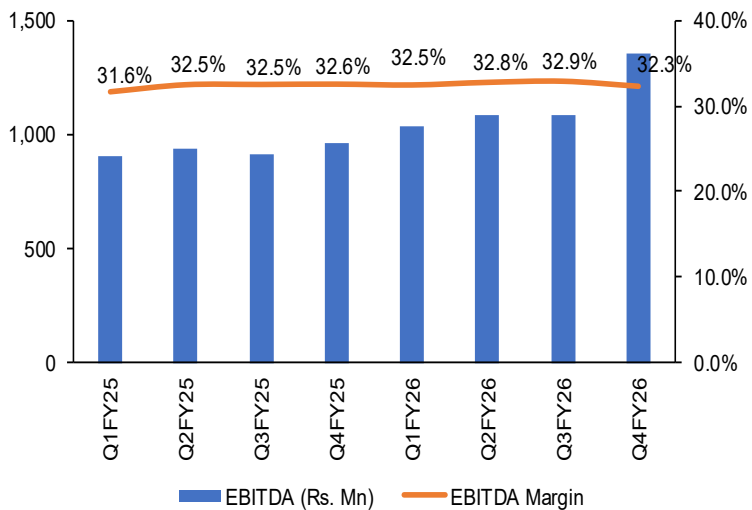
Revenue grow at healthy pace



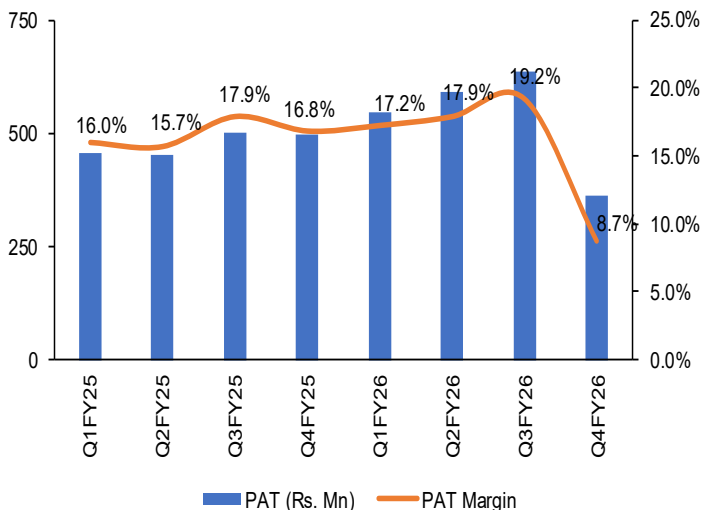
Gross Margin remains stable



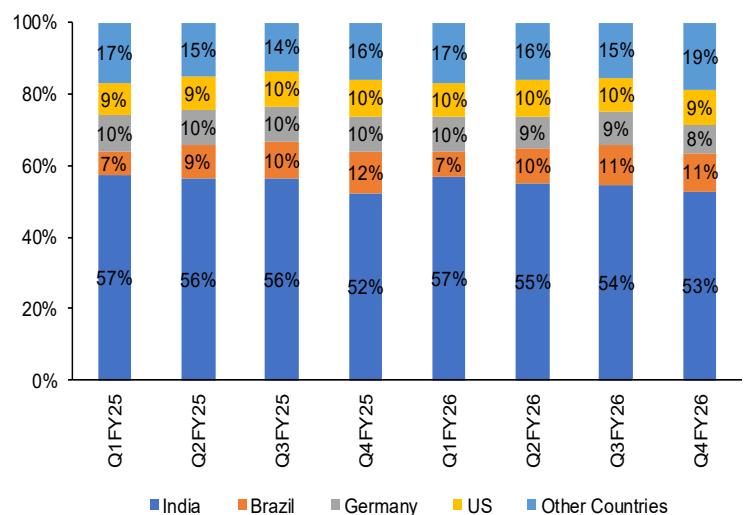
Operating Margin remains consistent



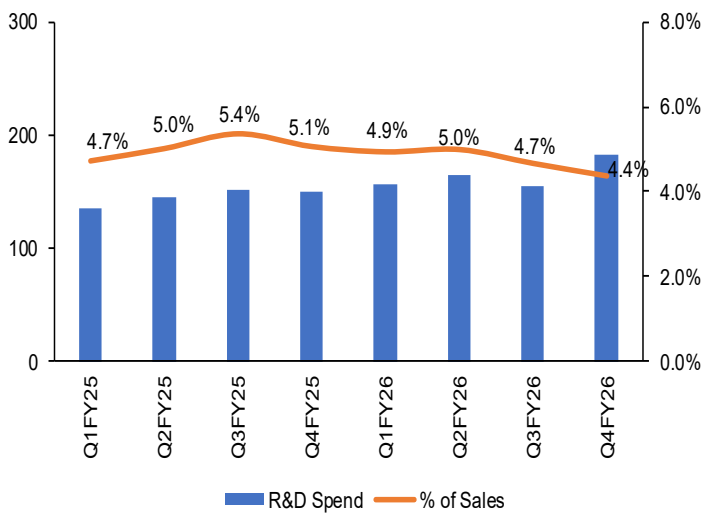
PAT Margin improved



Geographical Revenue mix



R&D spend



Source: Company, Bpwealth Research

Key Financials

YE March (Rs. Crs)	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	9,620	10,728	11,516	13,980	17,027	19,132
Growth %	13.1%	11.5%	7.3%	20.8%	21.8%	12.4%
EBIDTA	2842	3,368	3,721	4,559	5,702	6,605
Growth%	16.9%	18.5%	10.5%	21.3%	25.1%	15.8%
Net Profit	1,245	1,656	1,911	2,138	2,749	3,515
Growth %	60.2%	33.0%	15.4%	9.5%	28.6%	27.9%
Diluted EPS	36.8	48.9	56.5	63.3	81.3	104.0

Profitability & Valuation

EBIDTA (%)	29.5%	31.4%	32.5%	32.6%	33.5%	34.5%
NPM (%)	12.9%	15.4%	16.9%	15.3%	16.1%	18.4%
ROE (%)	20.1%	24.2%	25.7%	25.5%	24.7%	24.0%
ROCE (%)	18.5%	23.5%	27.4%	14.7%	19.3%	21.2%
P/E (x)	124.0	93.3	78.9	72.1	56.1	43.9
EV/EBITDA (x)	55.9	46.7	41.7	36.9	28.9	24.7
Net Debt/EBITDA (x)	1.7	0.9	0.7	3.0	1.3	0.7

Source: Company, Bloomberg Estimates

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

We analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer (s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation (s) or view (s) in this report. Analysts aren't registered as research analysts by FINRA and might not be an associated person of the BP Equities Pvt. Ltd. (Institutional Equities).

General Disclaimer

This report has been prepared by the research department of BP EQUITIES Pvt. Ltd, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal.

BP EQUITIES Pvt. Ltd have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice.

Recipients of this material should rely on their own investigations and take their own professional advice. BP EQUITIES Pvt. Ltd or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. BP EQUITIES Pvt. Ltd. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

BP EQUITIES Pvt. Ltd and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to BP EQUITIES Pvt. Ltd or any of its affiliates to any registration or licensing requirement within such jurisdiction.

Corporate Office:

4th floor,
Rustom Bldg,
29, Veer Nariman Road, Fort,
Mumbai-400001
Phone- +91 22 6159 6464
Fax-+91 22 6159 6160
Website- www.bpwealth.com

Registered Office:

24/26, 1st Floor, Cama Building,
Dalal street, Fort,
Mumbai-400001

BP Wealth Management Pvt. Ltd.
CIN No: U67190MH2005PTC154591

BP Equities Pvt. Ltd.
CIN No: U67120MH1997PTC107392