




# Torrent Pharmaceuticals Limited

**HOLD**

Sector: Pharmaceuticals

09<sup>th</sup> October, 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 3,876
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 3,550</b>
Large Cap	TRP:IN	82,172	TORNTPHARM	500420	12 Months	<b>Return</b>	<b>+9%</b>

Data as of: 09-Oct-2025, 17:00 hrs

Company Data			
Market Cap (Rs.cr)	120,142		
52 Week High — Low (Rs.)	3,790 - 2,891		
Enterprise Value (Rs. cr)	122,535		
Outstanding Shares (cr)	33.8		
Free Float (%)	30.8		
Dividend Yield (%)	0.9		
6m average volume (lacs)	4.5		
Beta	0.5		
Face value (Rs. )	5.0		
Shareholding (%)	Q3FY25	Q4FY25	Q1FY26
Promoters	68.3	68.3	68.3
FII's	16.2	16.3	16.1
MFs/Institutions	8.4	8.4	8.6
Public	4.8	4.7	4.7
Others	2.3	2.3	2.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	5.2%	12.6%	5.6%
Absolute Sensex	-3.9%	5.7%	-4.7%
Relative Return	9.1%	6.9%	10.3%

\*over or under performance to benchmark index



Y.E March (cr)	FY25A	FY26E	FY27E
Sales	11,516	13,008	15,240
<i>Growth (%)</i>	<i>7.3</i>	<i>13.0</i>	<i>17.2</i>
EBITDA	3,721	4,293	5,051
<i>EBITDA Margin (%)</i>	<i>32.3</i>	<i>33.0</i>	<i>33.1</i>
PAT Adjusted	1,935	2,453	3,014
<i>Growth (%)</i>	<i>23.4</i>	<i>26.8</i>	<i>22.9</i>
Adjusted EPS	57.2	72.5	89.1
<i>Growth (%)</i>	<i>23.4</i>	<i>26.8</i>	<i>22.9</i>
P/E	56.6	50.7	41.3
P/B	14.4	14.1	11.9
EV/EBITDA	30.1	29.5	25.0
<i>ROE (%)</i>	<i>25.2</i>	<i>27.8</i>	<i>28.8</i>
D/E	0.4	0.3	0.3

## Branded segment, new products drive growth

**Torrent Pharmaceuticals Ltd** is into research, development, manufacturing and marketing of generic pharmaceutical formulations. It is present in India, the US, Germany and Brazil. Torrent's products cover a wide range of therapeutic areas.

- The company's consolidated revenue from operations grew 11.2% YoY to Rs. 3,178cr in Q1FY26, driven by strong performance across markets.
- Revenue from the Indian market grew 10.8% YoY to Rs. 1,811cr, led by outperformance in focus therapies. The US market's revenue grew 18.9% YoY to Rs. 308cr, as recent launches achieved the targeted market shares. Market revenue from Brazil rose 11.2% YoY to Rs. 218cr, driven by top brands and the performance of new launches. The German market grew just 8.5% YoY to Rs. 308cr.
- EBITDA increased 14.2% YoY to Rs. 1,032cr and margins expanded 85 basis points (bps) to 32.5%, primarily driven by operating leverage from strong branded-market growth in India and Brazil and cost-optimisation efforts. This was despite a one-off acquisition-related expense of Rs. 15cr during the quarter.
- Profit after tax rose 19.9% YoY to Rs. 548cr, driven by improved EBITDA margin and a 25.3% YoY decrease in finance cost, reflecting significant debt repayment.

## Outlook & Valuation

The company delivered a steady performance due to sustained momentum in branded markets, strong chronic therapy traction in India and robust growth in Brazil, supported by key brands and new launches. The ongoing expansion of the field force, focus on consumer health and strategic addition of meaningful products are expected to enhance market coverage and drive growth. Torrent is also progressing on semaglutide opportunities in India and Brazil, specifically focusing on diabetes and obesity treatments. The market trends appear to be positive, with the company outperforming market growth by 250-300bps in terms of volume. However, there are some challenges in certain geographies, such as Germany, where supply disruptions are expected to continue for a couple of quarters. Therefore, **we reiterate our HOLD rating on the stock with a revised target price of Rs. 3,876, based on 44x FY27E adjusted earnings per share.**

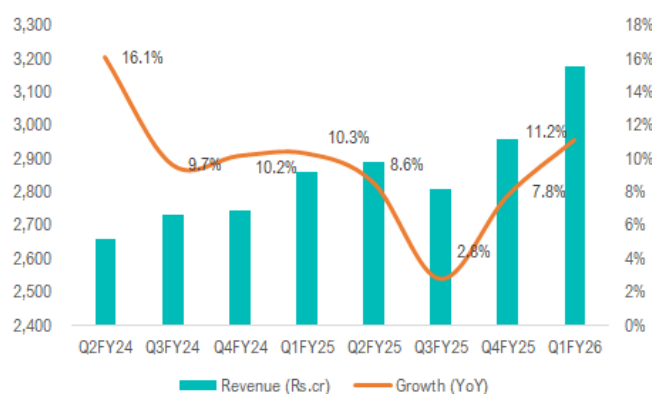
## Quarterly Finance Consol.

Rs.cr	Q1FY26	Q1FY25	YoY Growth (%)	Q4FY25	QoQ Growth (%)
Sales	3,178	2,859	11.2	2,959	7.4
EBITDA	1,032	904	14.2	964	7.1
Margin (%)	32.5	31.6	90bps	32.6	-10bps
EBIT	831	707	17.5	763	8.9
PBT	738	656	12.5	665	11.0
Rep. PAT	548	457	19.9	498	10.0
Adj PAT	548	457	19.9	498	10.0
Adj. EPS (Rs)	16.2	13.5	19.9	14.7	10.0

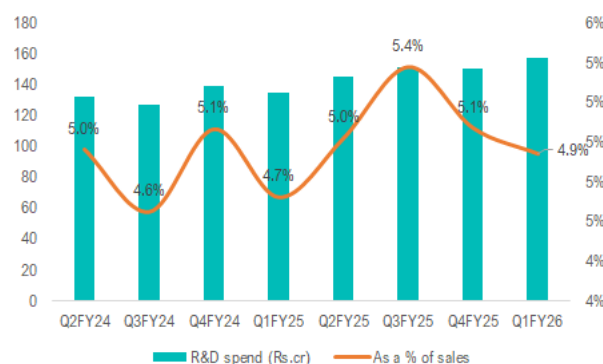
## Key concall highlights

- Torrent's revenue growth is strong on the back of an 8% increase in the Indian pharmaceutical market (IPM) and a 13% growth in the chronic business segment.
- The company's cardiac, diabetes, gastro and CNS divisions are driving growth in the chronic business segment.
- Torrent has a strong brand portfolio as 21 brands are in the top 500 of the IPM. The fact that 14 brands have sales over Rs. 100cr suggests a diversified revenue stream.
- The India business is expected to outperform the pharma market growth, driven by improved market share in key therapies, successful launches and enhanced field force productivity in expanded regions.
- The company added 200 new medical representatives (MRs) this quarter and aims to have an MR strength of 7,000 by the end of FY26 to drive growth in chronic therapies.
- Torrent is conducting Phase III clinical trials for an oral product, specifically Semaglutide, and has partnered for the injectable version. It wants to be among the first to launch this important diabetes and obesity therapy.
- The company has confirmed that the acquisition of JB Chemicals is on track. Regulatory filings, including applications to the Competition Commission of India, have been submitted.

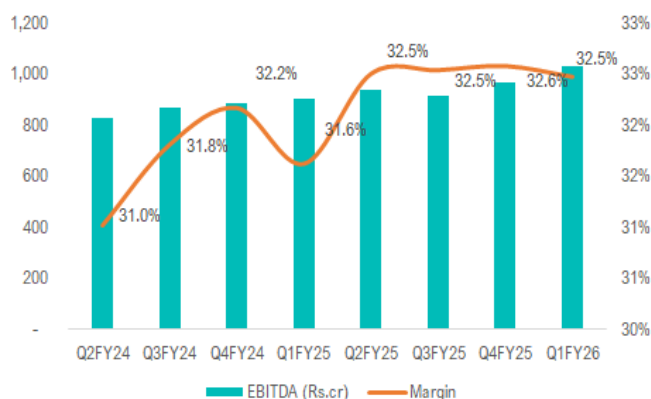
## Revenue



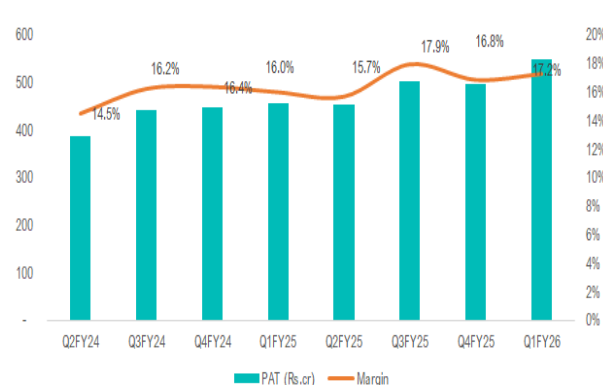
## R&D spend



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	13,646	-	13,008	15,240	-4.7	-
EBITDA	4,564	-	4,293	5,051	-5.9	-
Margins (%)	33.4	-	33.0	33.1	-40bps	-
Adj. PAT	2,586	-	2,453	3,014	-5.1	-
EPS	76.4	-	72.5	89.1	-5.1	-



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Sales</b>	<b>9,620</b>	<b>10,728</b>	<b>11,516</b>	<b>13,008</b>	<b>15,240</b>
% change	13.1	11.5	7.3	13.0	17.2
<b>EBITDA</b>	<b>2,842</b>	<b>3,368</b>	<b>3,721</b>	<b>4,293</b>	<b>5,051</b>
% change	16.9	18.5	10.5	15.4	17.7
Depreciation	707	808	795	809	827
<b>EBIT</b>	<b>2,135</b>	<b>2,560</b>	<b>2,926</b>	<b>3,484</b>	<b>4,224</b>
Interest	333	354	252	237	229
Other Income	45	146	-1	23	24
<b>PBT</b>	<b>1,847</b>	<b>2,352</b>	<b>2,673</b>	<b>3,270</b>	<b>4,019</b>
% change	50.7	27.3	13.6	22.4	22.9
Tax	602	696	762	818	1,005
Tax Rate (%)	32.6	29.6	28.5	25.0	25.0
<b>Reported PAT</b>	<b>1,245</b>	<b>1,656</b>	<b>1,911</b>	<b>2,453</b>	<b>3,014</b>
<b>PAT att. to common shareholder-</b>	<b>1,245</b>	<b>1,656</b>	<b>1,911</b>	<b>2,453</b>	<b>3,014</b>
Adj.*	-	-88	24	-	-
<b>Adj. PAT</b>	<b>1,245</b>	<b>1,568</b>	<b>1,935</b>	<b>2,453</b>	<b>3,014</b>
% change	-1.3	25.9	23.4	26.8	22.9
No. of shares (cr)	33.8	33.8	33.8	33.8	33.8
<b>Adj EPS (Rs.)</b>	<b>36.8</b>	<b>46.3</b>	<b>57.2</b>	<b>72.5</b>	<b>89.1</b>
% change	-1.3	25.9	23.4	26.8	22.9
DPS (Rs.)	22.0	28.0	32.0	36.2	40.1

### Cashflow

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	1,952	2,464	2,706	3,261	3,841
Non-cash adj.	434	384	360	-209	-788
Other adjustments	-	-	-	-	-
Changes in W.C	-18	418	-481	-461	-509
<b>C.F. Operation</b>	<b>2,368</b>	<b>3,266</b>	<b>2,585</b>	<b>2,591</b>	<b>2,544</b>
Capital exp.	-415	-299	-593	-650	-686
Change in inv.	-2,013	118	33	-23	-28
Other invest.CF	13	13	20		
<b>C.F - Investment</b>	<b>-2,415</b>	<b>-168</b>	<b>-540</b>	<b>-674</b>	<b>-714</b>
Issue of equity	-	-	-	-	-
Issue/repay debt	1,243	-1,393	-953	-161	-153
Dividends paid	-863	-1,015	-1,083	-1,226	-1,356
Other finance.CF	-303	-371	-262	-237	-229
<b>C.F - Finance</b>	<b>77</b>	<b>-2,779</b>	<b>-2,298</b>	<b>-1,625</b>	<b>-1,738</b>
Chg. in cash	30	319	-253	293	92
Closing Cash	571	839	579	872	964

### Balance Sheet

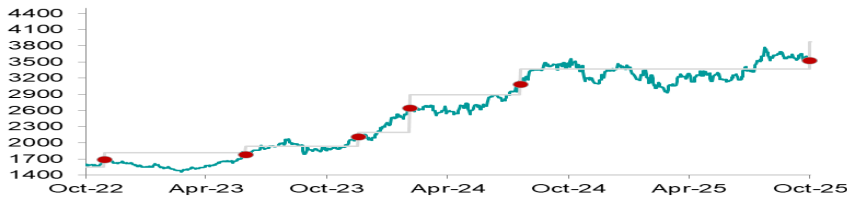
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	571	839	579	872	964
Accts. Receivable	1,944	1,844	1,867	2,101	2,446
Inventories	2,230	2,279	2,541	2,895	3,368
Other Cur. Assets	584	649	636	794	869
Investments	43	32	44	46	49
Gross Fixed As-sets	5,297	5,871	6,304	6,915	7,565
Net Fixed Assets	2,772	3,297	3,455	3,334	3,226
CWIP	688	281	367	330	297
Intangible Assets	5,427	4,921	4,602	4,943	5,864
Def. Tax -Net	544	555	595	625	656
Other Assets	209	364	304	304	304
<b>Total Assets</b>	<b>15,012</b>	<b>15,061</b>	<b>14,990</b>	<b>16,244</b>	<b>18,042</b>
Current Liabilities	2,628	3,072	2,853	3,119	3,482
Provisions	393	445	501	506	511
Debt Funds	5,389	4,031	3,216	3,055	2,902
Other Liabilities	404	657	829	746	671
Equity Capital	169	169	169	169	169
Res. & Surplus	6,029	6,687	7,422	8,648	10,306
Shareholder Funds	6,198	6,856	7,591	8,817	10,475
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>15,012</b>	<b>15,061</b>	<b>14,990</b>	<b>16,244</b>	<b>18,042</b>
BVPS	183	203	224	261	310

### Ratio

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
<b>Profitab. &amp; Return</b>					
EBITDA margin (%)	29.5	31.4	32.3	33.0	33.1
EBIT margin (%)	22.2	23.9	25.4	26.8	27.7
Net profit mgn.(%)	12.9	15.4	16.6	18.9	19.8
ROE (%)	20.1	24.2	25.2	27.8	28.8
ROCE (%)	18.4	23.5	27.1	29.3	31.6
<b>W.C &amp; Liquidity</b>					
Receivables (days)	73.8	62.7	59.2	58.9	58.6
Inventory (days)	297.6	309.7	334.1	331.6	329.2
Payables (days)	224.1	283.9	239.3	241.3	243.3
Current ratio (x)	1.0	1.0	1.2	1.4	1.5
Quick ratio (x)	0.5	0.5	0.5	0.6	0.7
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	1.9	1.9	1.9	2.0	2.1
Total asset T.O (x)	0.7	0.7	0.8	0.8	0.9
Int. covge. ratio (x)	6.4	7.2	11.6	14.7	18.4
Adj. debt/equity (x)	0.9	0.6	0.4	0.3	0.3
<b>Valuation</b>					
EV/Sales (x)	6.1	11.9	9.7	9.7	8.3
EV/EBITDA (x)	20.5	37.9	30.1	29.5	25.0
P/E (x)	43.0	79.3	56.6	50.7	41.3
P/BV (x)	8.6	18.1	14.4	14.1	11.9



## Recommendation Summary - last 3 years



Dates	Rating	Target
07-Feb-22	BUY	1,548
03-Nov-22	HOLD	1,819
05-Jun-23	HOLD	1,933
22-Nov-23	BUY	2,189
08-Feb-24	HOLD	2,893
25-Jul-24	HOLD	3,363
09-Oct-25	HOLD	3,876


## Investment Rating Criteria


Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

**Symbols definition:**  Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

The recommendations are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/ return/lack of clarity/event we may revisit rating at appropriate time. Please note that the stock always carries the risk of being upgraded to BUY or downgraded to a HOLD, REDUCE or SELL.

Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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