Retail Equity Research

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Torrent Pharmaceuticals Ltd.

BUY

Sector: Pharmaceuticals

05th November, 2026

Key Changes	Target	Rating	Earnings
	▲	▲	▼

Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame
Large Cap	TRP:IN	77,301	TORNTPHARM	500420	12 Months

Target	**Rs.5,581**
CMP	**Rs.4,730**
Return	**+18%**

Data as of: 04-Nov-2026, 18:00hrs

Company Data	
Market Cap (Rs.cr)	179,298
52 Week High — Low (Rs.)	5,250 - 3,533
Enterprise Value (Rs.cr)	193,854
Outstanding Shares (cr.)	38.0
Free Float (%)	30.7
Dividend Yield (%)	0.8
6m average volume (lacs)	5.1
Beta	0.8
Face value (Rs.)	5.0

Shareholding (%)	Q4FY26	Q1FY27	Q2FY27
Promoters	68.3	68.3	60.8
FIIs	16.2	15.4	17.2
MFs/Institutions	9.1	9.8	13.4
Public	4.2	5.2	7.3
Others	2.2	1.2	1.3
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil

Price Performance	3 Month	6 Month	1 Year
Absolute Return	-7.6%	8.2%	26.5%
Absolute Sensex	-4.7%	-4.9%	-13.6%
Relative Return	-2.8%	13.1%	40.1%

*over or under performance to the benchmark index



Y.E March (Rs.cr)	FY26A	FY27E	FY28E
Sales	13,980	20,063	22,574
Growth (%)	*21.4*	*43.5*	*12.5*
EBITDA	4,559	6,677	7,691
EBITDA Margin (%)	*32.6*	*33.3*	*34.1*
Adj. PAT	2,252	2,525	3,624
Growth (%)	*16.4*	*12.1*	*43.5*
Adj. EPS	66.5	66.3	95.2
Growth (%)	*16.4*	*-0.3*	*43.5*
P/E	68.5	71.4	49.8
P/B	18.4	9.1	8.2
EV/EBITDA	38.9	28.9	24.8
ROE (%)	25.8	12.6	16.4
D/E	0.9	0.7	0.5

JB integration strengthens competitive position

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

- Consolidated revenue rose 50.8% YoY to Rs. 4,979cr, driven by the inclusion of JB Pharma and robust growth of 18% in the base business, led by strong performance of branded formulations.
- India revenue rose 57.0% YoY to Rs. 2,861cr, driven by strong performance in the chronic portfolio, growth at Curatio, field-force expansion and traction in Semaglutide.
- International revenue rose 48.0% YoY to Rs. 1,991cr, supported by i) strong growth in Brazil from top brands and new launches and ii) growth in the US from new launches.
- EBITDA rose 53.8% YoY to Rs. 1,666cr, with margin improving 70bps to 33.5%, aided by synergy realisation, field-force optimisation and procurement benefits.
- PAT fell 9.9% YoY to Rs. 544cr, primarily impacted by higher finance costs following the JB Pharma acquisition and acquisition-related increase in borrowings.

Outlook & Valuation

Torrent Pharmaceuticals delivered a strong performance, driven by robust domestic execution and healthy international traction. The company expects sustained momentum from its chronic therapy portfolio, supported by continued expansion of the Curatio business, increasing contribution from the semaglutide portfolio and deeper penetration across key therapeutic segments. The integration of J.B. Chemicals and Pharmaceuticals Limited is progressing smoothly, with the targeted benefits of Rs. 450cr in cost synergies now expected within two years versus three earlier, and JB's improving margins supporting profitability. International operations are gradually recovering from integration-related disruptions. Strength in Brazil and the US, along with ongoing synergy benefits, is expected to support growth visibility and reinforce long-term earnings prospects. Therefore, **we upgrade our rating to BUY on the stock with a target price of Rs. 5,581, based on 29x FY28E EV/EBITDA.**

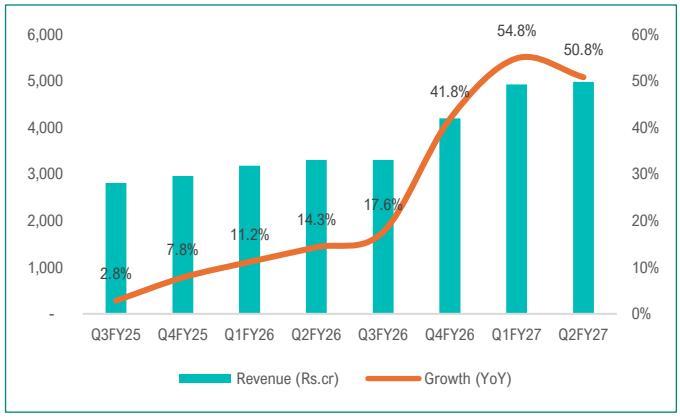
Quarterly Financials Consolidated

Rs.cr	Q2FY27	Q2FY26	YoY (%)	Q1FY27	QoQ (%)	H1FY27	H1FY26	YoY (%)
Sales	4,979	3,302	*50.8*	4,921	*1.2*	9,900	6,480	*52.8*
EBITDA	1,666	1,083	*53.8*	1,664	*0.1*	3,330	2,115	*57.4*
Margin (%)	*33.5*	*32.8*	*70bps*	*33.8*	*-30bps*	*33.6*	*32.6*	*100bps*
EBIT	1,057	879	*20.3*	1,071	*-1.3*	2,128	1,710	*24.4*
PBT	737	791	*-6.8*	733	*0.5*	1,470	1,529	*-3.9*
Rep. PAT	534	591	*-9.6*	566	*-5.7*	1,100	1,139	*-3.4*
Adj PAT	544	604	*-9.9*	587	*-7.3*	1,131	1,152	*-1.8*
Adj. EPS (Rs)	14.3	17.8	*-19.9*	17.4	*-17.8*	31.7	34.0	*-6.7*

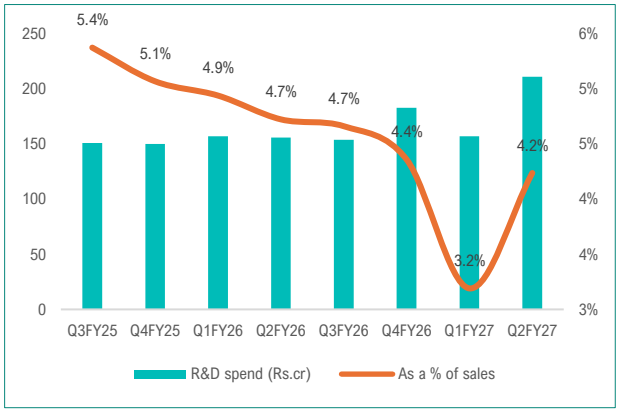
Key Concall Highlights

- Torrent expects growth in JB's India branded business to recover gradually through H2FY27, exceeding H1's 10% growth, as integration disruptions fade and merged operations normalise across divisions nationwide.
- Management expects merger-related revenue synergies to emerge from FY28 through cross-selling initiatives and broader distribution of JB brands across the combined franchise.
- International revenue synergies from combining portfolios are expected over a longer timeline, as product filings and approvals across JB territories typically require two to three years before benefits can materialise meaningfully.
- Management plans to maintain the combined India field force at ~9,100 through FY27, with a potential expansion to 9,500-9,600 in FY28 based on growth requirements.
- Management expects a market-share recovery in injectable semaglutide following supply normalisation in September. The disruption lasted nearly two months, while Torrent's overall semaglutide market share stood at 32% in Q2FY27.
- The Indian pharmaceutical market's growth is expected to remain above 10%, with management expecting sustained healthy demand over the next financial year.

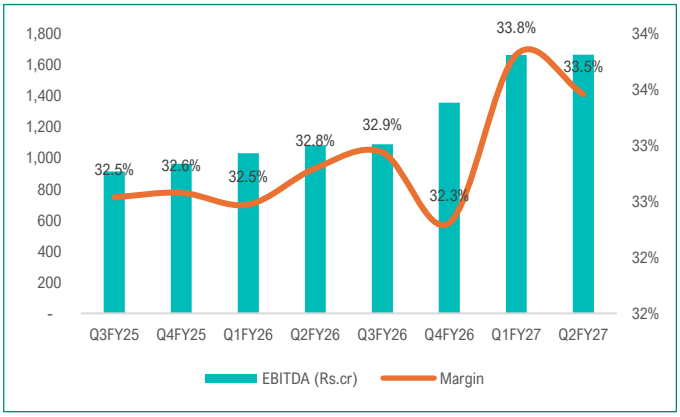
Revenue



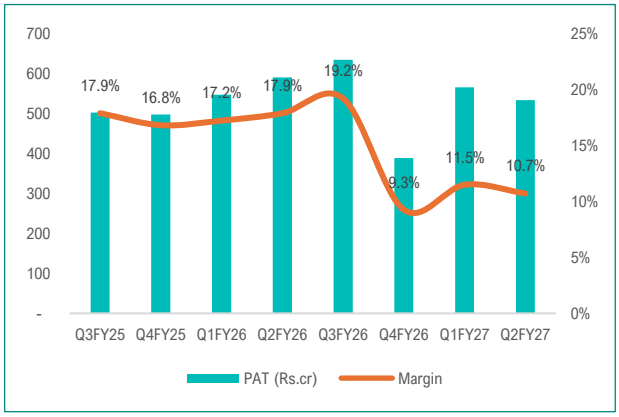
R&D spend



EBITDA



PAT



Change in Estimates

	Old estimates		New estimates		Change (%)	
Year / Rs. cr	**FY27E**	**FY28E**	**FY27E**	**FY28E**	**FY27E**	**FY28E**
Revenue	18,454	20,783	20,063	22,574	*8.7*	*8.6*
EBITDA	6,210	7,274	6,677	7,691	*7.5*	*5.7*
Margins (%)	*33.7*	*35.0*	*33.3*	*34.1*	*-40bps*	*-90bps*
Adj. PAT	2,492	3,315	2,525	3,624	*1.3*	*9.3*
Adj. EPS	73.6	98.0	66.3	95.2	*-9.9*	*-2.8*

Consolidated Financials

Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	**10,728**	**11,516**	**13,980**	**20,063**	**22,574**
% change	*11.5*	*7.3*	*21.4*	*43.5*	*12.5*
EBITDA	**3,368**	**3,721**	**4,559**	**6,677**	**7,691**
% change	*18.5*	*10.5*	*22.5*	*46.5*	*15.2*
Depreciation	808	795	1,119	2,210	2,146
EBIT	**2,560**	**2,926**	**3,440**	**4,467**	**5,545**
Interest	354	252	385	1,180	1,003
Other Income	146	-1	-183	39	290
PBT	**2,352**	**2,673**	**2,872**	**3,326**	**4,832**
% change	*27.3*	*13.6*	*7.4*	*15.8*	*45.3*
Tax	696	762	734	831	1,208
Tax Rate (%)	*29.6*	*28.5*	*25.6*	*25.0*	*25.0*
Reported PAT	**1,656**	**1,911**	**2,138**	**2,494**	**3,624**
PAT att. to common shareholders	1,656	1,911	2,163	2,494	3,624
Adj*	-88	24	89	31	-
Adj PAT	**1,568**	**1,935**	**2,252**	**2,525**	**3,624**
% change	-	*23.4*	*16.4*	*12.1*	*43.5*
No. of shares (cr)	33.8	33.8	33.8	38.1	38.1
Adj EPS (Rs.)	**46.3**	**57.2**	**66.5**	**66.3**	**95.2**
% change	-	*23.4*	*16.4*	*-0.3*	*43.5*
DPS (Rs.)	28.0	32.0	35.0	30.0	34.0

Balance Sheet

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	839	579	1,165	62	148
Accounts Receivable	1,844	1,867	3,031	3,812	4,176
Inventories	2,279	2,541	3,138	3,903	4,337
Other Cur. Assets	649	636	2,059	3,238	3,312
Investments	32	44	83	87	94
Gross Fixed Assets	5,088	5,354	6,647	7,324	7,926
Net Fixed Assets	3,297	3,455	4,909	5,181	5,564
CWIP	281	367	457	411	370
Intangible Assets	4,921	4,602	28,467	26,632	24,822
Def. Tax Assets	555	595	698	733	770
Other Assets	364	304	305	305	305
Total Assets	**15,061**	**14,990**	**44,312**	**44,364**	**43,898**
Current Liabilities	3,072	2,853	5,159	5,515	5,753
Provisions	445	501	765	773	780
Debt Funds	4,031	3,216	15,111	12,929	10,787
Other Liabilities	657	829	5,692	5,422	4,522
Equity Capital	169	169	169	190	190
Reserves & Surplus	6,687	7,422	8,220	19,535	21,866
Shareholders' Funds	6,856	7,591	8,389	19,725	22,056
Minority Interest	-	-	9,196	-	-
Total Liabilities	**15,061**	**14,990**	**44,312**	**44,364**	**43,898**
BVPS	203	224	248	518	579

Cash Flow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	**2,464**	**2,706**	**3,257**	**4,705**	**5,770**
Non-cash adj.	384	360	108	916	106
Other adjustments	-	-	-	-	-
Changes in W.C	418	-481	-342	-1,304	-634
C.F. Operation	**3,266**	**2,585**	**3,023**	**4,317**	**5,242**
Capital exp.	-299	-593	-636	-602	-677
Change in inv.	118	33	202	-1,103	-39
Other invest.CF	13	20	-12,279	0	0
C.F – Investment	**-168**	**-540**	**-12,713**	**-1,705**	**-717**
Issue of equity	-	-	-	-	-
Issue/repay debt	-1,393	-953	11,867	-2,182	-2,142
Dividends paid	-1,015	-1,083	-1,289	-1,142	-1,294
Other finance.CF	-371	-262	-427	-392	-1,003
C.F – Finance	**-2,779**	**-2,298**	**10,151**	**-3,715**	**-4,439**
Chg. in cash	319	-253	461	-1,103	86
Closing cash	**839**	**579**	**1,165**	**62**	**148**

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	31.4	32.3	32.6	33.3	34.1
EBIT margin (%)	23.9	25.4	24.6	22.3	24.6
Net profit mgn.(%)	15.4	16.6	15.5	12.4	16.1
ROE (%)	24.2	25.2	25.8	12.6	16.4
ROCE (%)	23.5	27.1	10.5	13.7	16.9
W.C & Liquidity					
Receivables (days)	62.7	59.2	79.1	69.4	67.5
Inventory (days)	309.7	334.1	338.1	292.0	284.7
Payables (days)	283.9	239.3	254.0	200.8	189.8
Current ratio (x)	1.0	1.2	1.1	1.4	1.7
Quick ratio (x)	0.5	0.5	0.6	0.8	0.9
Turnover & Leverage					
Gross asset T.O (x)	2.1	2.2	2.3	2.9	3.0
Total asset T.O (x)	0.7	0.8	0.5	0.5	0.5
Int. coverage ratio (x)	7.2	11.6	8.9	3.8	5.5
Adj. debt/equity (x)	0.6	0.4	0.9	0.7	0.5
Valuation					
EV/Sales (x)	14.7	13.6	12.7	9.6	8.5
EV/EBITDA (x)	46.8	42.2	38.9	28.9	24.8
P/E (x)	98.4	79.8	68.5	71.4	49.8
P/BV (x)	22.5	20.3	18.4	9.1	8.2

Recommendation Summary (Last 3 years)



Dates	Rating	Target
05-Jun-23	HOLD	1,933
22-Nov-23	BUY	2,189
08-Feb-24	HOLD	2,893
25-Jul-24	HOLD	3,363
29-Jan-25	HOLD	3,800
09-Oct-25	HOLD	3,876
25-Jun-26	HOLD	4,898
05-Nov-26	BUY	5,581

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.

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

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