HOLD (Maintain)

CMP: **INR 4,620** Target Price: **INR 4,800 (INR 4,600)** ▲ 4%

ICICI Securities

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01 July 2026

India | Equity Research | Company Update

Torrent Pharma

Pharma

GLP-1 set to boost branded generic growth

Torrent Pharma's (Torrent) dominance in cardio-diabetes therapies, coupled with its varied portfolio and a dedicated field force, has helped the company garner 34–35% volume market share in GLP-1 in India. Growth in the ex-GLP-1 portfolio in its India business continues to be boosted by price increase (6–7%) and new launches. Management expects its India business to outpace IPM's current growth of ~10–12% by 250–400bps. New launches in Brazil could add a 10–15% growth delta in constant currency terms; also, semaglutide's potential launch next year, could be a further fillip. The JB Pharma merger is slated to be completed in Jul'26. Management envisages realising cost synergies of ~INR 4–4.5bn over the next three years. We raise FY27E/FY28E EBITDA by ~1% each, baking in better traction in India and Brazil. Maintain **HOLD**; TP revised to INR 4,800 (INR 4,600 earlier) based on 25x FY28E EV/EBITDA (24x earlier).

Market leadership in generic GLP-1 likely to be maintained

Torrent has one of the most diversified generic GLP-1 portfolios in India. It has tied up with Zydus to launch reusable pens under the brand Sembolic; and, with Dr Reddys for single-use pens under the brand Semalix. Besides, it was the first company to launch a generic oral solid dose of semaglutide in India. As per IQVIA, Torrent has garnered 34–35% volume market share in the generic semaglutide market, helped by its dedicated field force, patient and doctor education, and aggressive marketing. Torrent's management targets to garner sales of INR 2–2.5bn from GLP-1 products in FY27.

Price hikes and new launches to lead growth in India

Chronic therapies account for ~75–77% of India sales in Torrent's base portfolio. With the share of NLEM being low, the company has historically been able to take price hikes of 6–7%. For next couple of year, the company plans to launch a few FTF products, which will also likely boost growth in the base business (ex-GLP-1). Torrent has a field force of 7,100 MRs in India and could add 300–400 more in FY27. Management expects its India growth (ex-JB Pharma) to outperform market growth by 250–400bps. We expect Torrent's combined India business to accelerate at a CAGR of ~11.3% over FY26–28E.

Financial Summary

Y/E March (INR mn)	FY25A	FY26A	FY27E	FY28E
Net Revenue	1,15,161	1,39,800	2,03,681	2,23,910
EBITDA	37,410	45,740	66,599	74,669
EBITDA Margin (%)	32.5	32.7	32.7	33.3
Net Profit	19,429	22,404	26,441	34,945
EPS (INR)	52.5	60.5	71.4	94.4
EPS % Chg YoY	21.9	15.3	18.0	32.2
P/E (x)	89.5	79.0	64.7	48.9
EV/EBITDA (x)	46.9	40.5	27.4	24.1
RoCE (%)	19.0	11.7	10.9	13.0
RoE (%)	26.9	28.0	28.6	31.1

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Market Data

Market Cap (INR)	1,564bn
Market Cap (USD)	16,521mn
Bloomberg Code	TRP IN
Reuters Code	TORP.BO
52-week Range (INR)	4,743 /3,287
Free Float (%)	30.0
ADTV-3M (mn) (USD)	22.7

Price Performance (%)	3m	6m	12m
Absolute	9.5	20.0	35.6
Relative to Sensex	3.2	30.3	44.1

ESG Score	2024	2025	Change
ESG score	**68.7**	**69.6**	**0.9**
Environment	70.6	72.4	1.8
Social	55.1	57.5	2.4
Governance	80.9	79.7	(1.2)

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

Previous Reports

25-05-2026: Q4FY26 results review

16-02-2026: Q3FY26 results review

Scope for revenue and cost synergies in JB Pharma persists

Torrent is awaiting NCLT order and a few other approvals for merger with JB pharma. The company expects the transaction to be completed in Jul'26. Through optimisation of procurement, manufacturing and employee cost, management aspires to achieve cost synergies of INR 4–4.5bn from this deal in the next three years. Besides, consolidation of JB Pharma has also helped Torrent strengthen its rank in therapies like cardiology, gastro-intestinal and ophthalmology segments in India. JB Pharma's MR team of 2,600 has witnessed low attrition; also, work towards leveraging the prescriber reach of these MRs is underway.

Double-digit growth momentum in Brazil to sustain

Brazil continues to be Torrent's biggest international growth engine. It has 58 products under review with ANVISA and plans to double its product offerings across key chronic therapies of cardiovascular, diabetes and CNS in the next 2–3 years. The company targets 10–15% constant currency growth in FY27, led by new launches and increasing market penetration. GLP-1 products have established a USD 1bn market in Brazil (60–65% dominated by Wegovy). Torrent is likely to secure an approval from regulator Anvisa in the near term and a launch is planned next year. Based on the current market dynamics, price erosion in semaglutide is at 30–40% in Brazil and may deteriorate further as more generics gain regulatory approvals.

Steady recovery in US underway

Torrent's US business is on a gradually recovery path, post regulatory clearance of the Dahej and Indrad plant. The company plans to launch 6–7 complex products annually. Management anticipates single-digit growth in US in FY27.

Near-term challenges persist in Germany

Supply constraints have hurt Torrent's sales run-rate in Germany. Management is establishing alternate supply arrangements, and transition may take 12–18 months. In Q4FY26, the company launched its first biosimilar in Germany. Management expects constant currency FY27 revenue growth in Germany to be flattish and a gradual pickup is expected in FY28.

View and valuation

With its dominance in chronic therapies and ability to take price hikes, Torrent's India growth has had a pronounced lead over the market for the last few quarters. Launch of GLP-1 brands could provide an additional 1–2% lift to Torrent's India sales (ex-JB Pharma) in FY27.

Torrent has a credible track record of acquiring and integrating India-centric businesses. The acquisition of JB Pharma helps to improve scale (IPM rank improved by two notches to 5th-largest pharma company in India). Management is now working towards realising cost and revenue synergies from this deal.

In Jan'27, Torrent would also pay USD 116mn to Novartis for transfer of ophthalmology brands and help the company make better margins in these brands. Torrent has received shareholder approval for the complete merger of JB Chemicals with Torrent and the final hearing with NCLT for this merger is scheduled soon.

New launches in Brazil are helping Torrent outpace market growth (17% vs. market growth of 6%). Ahead, generic semaglutide launch is a sizeable opportunity for the company. Supplies in Germany may take time to improve and management is guiding for a gradual recovery in the near term. Filing run-rate for US could pick up ahead; management aims to run this business profitably, envisaging single-digit growth in FY27.

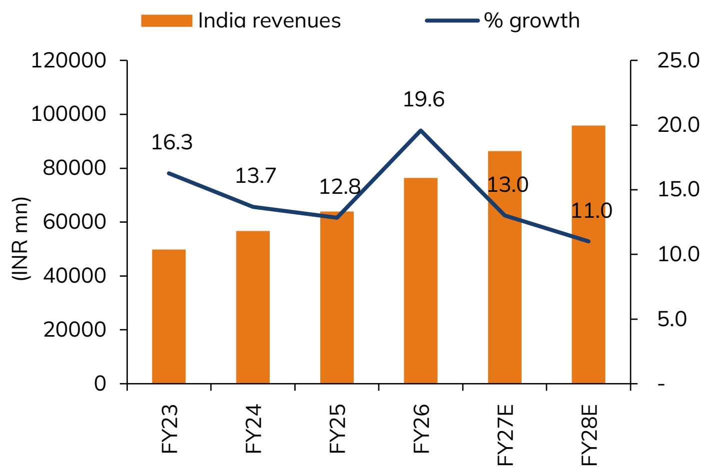
We estimate revenue/EBITDA/PAT CAGRs of 26.6%/27.8%/24.9% over FY26–28E, with a 63bps expansion in margin over FY26–28E. We raise FY27E/FY28E EBITDA by ~1% each, baking in better traction in India and Brazil. The stock currently trades at valuations of 64.7x FY27E and 48.9x FY28E earnings and EV/EBITDA multiples of 27.4x FY27E and 24.1x FY28E. We maintain **HOLD**, with a higher target price of INR 4,800 (earlier INR 4,600), based on 25x FY28E EV/EBITDA (earlier 24x FY28E EV/EBITDA).

Key upside risks: Earlier-than-anticipated synergies and debt repayment; and better pricing in India.

Key downside risks: More products under price control in India; regulatory issues at plants; and currency fluctuations.

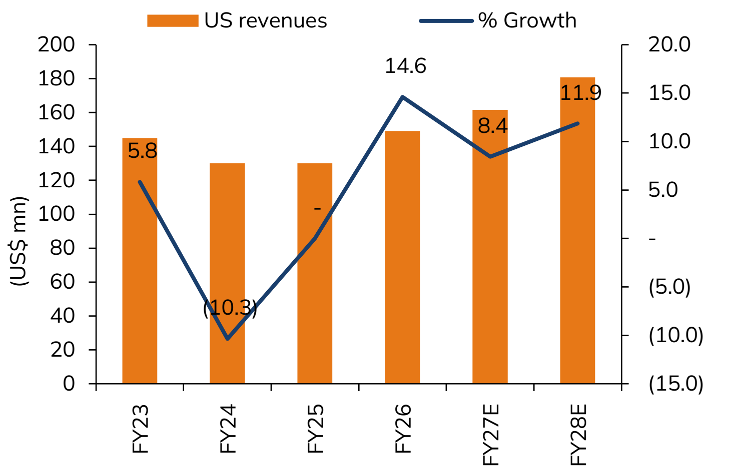
Financial Charts

Exhibit 1: Price hikes & GLP-1 brands to elevate India sales



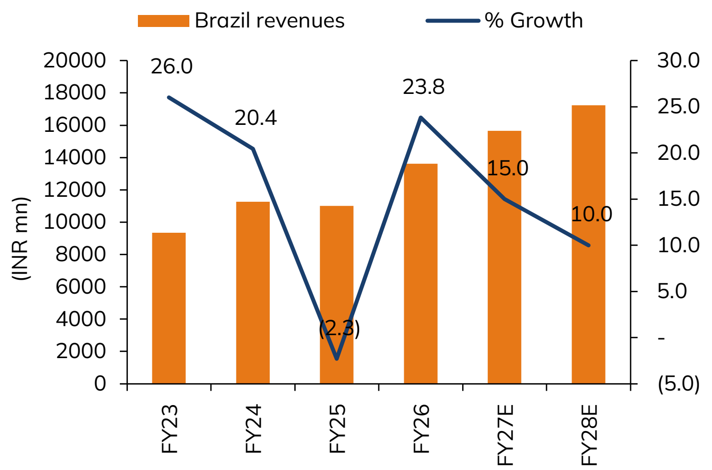
Source: I-Sec research, Company data

Exhibit 2: US revenue to ramp up to USD 180mn by FY28E



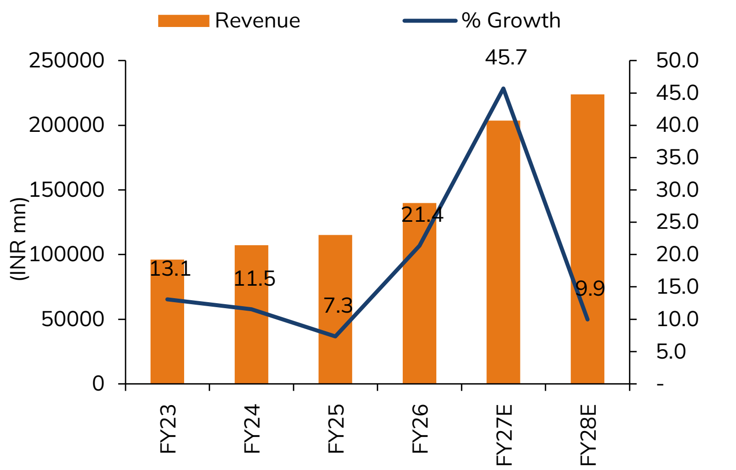
Source: I-Sec research, Company data

Exhibit 3: New launches to continue to boost momentum in Brazil



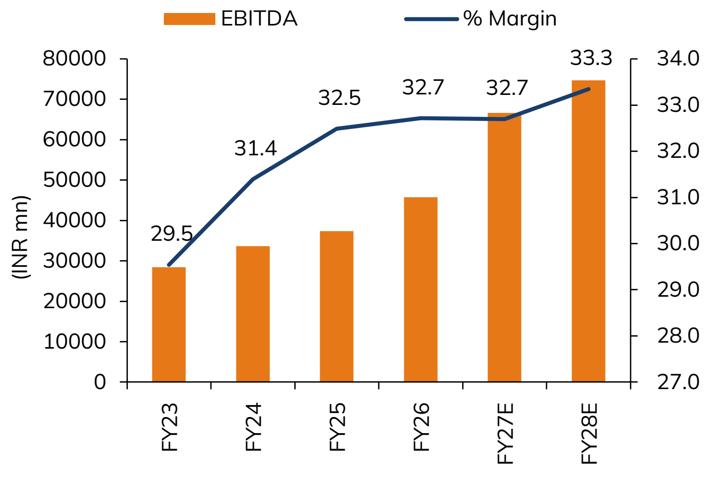
Source: I-Sec research, Company data

Exhibit 4: Consolidation of JB Pharma to boost revenue CAGR of 26.6% over FY26-28E



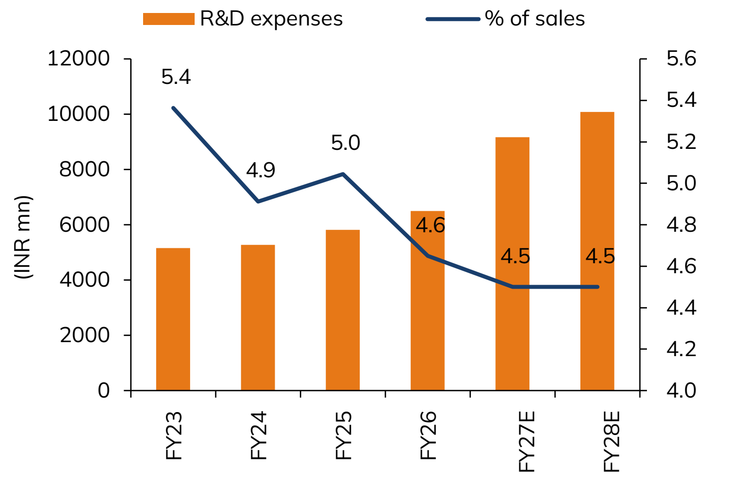
Source: I-Sec research, Company data

Exhibit 5: Merger synergies and traction in branded portfolio to scale up margins ahead



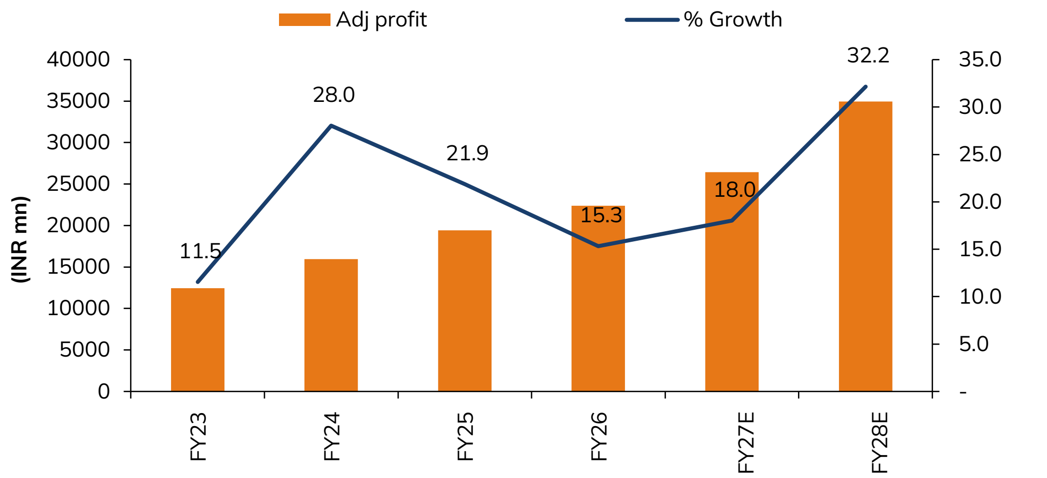
Source: I-Sec research, Company data

Exhibit 6: R&D as expenses to be ~4-5% of sales ahead



Source: I-Sec research, Company data

Exhibit 7: Adj. PAT to grow at CAGR of 24.9% over FY26-28E



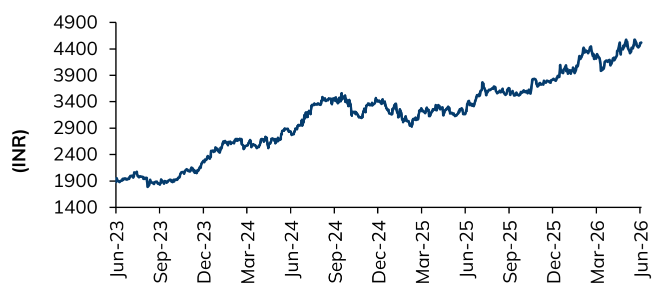
Source: I-Sec research, Company data

Exhibit 8: Shareholding pattern

%	Sep'25	Dec'25	Mar'26
Promoters	68.3	68.3	68.3
Institutional investors	23.0	22.7	22.9
MFs and others	5.1	4.8	4.6
FIs/Banks	0.1	0.1	0.2
Insurance	1.9	1.7	1.9
FIIs	15.9	16.1	16.2
Others	8.7	9.0	8.8

Source: Bloomberg

Exhibit 9: Price chart



Source: Bloomberg

Financial Summary

Exhibit 10: Profit & Loss

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Net Sales	1,15,161	1,39,800	2,03,681	2,23,910
Operating Expenses	**77,751**	**94,060**	**1,37,082**	**1,49,241**
EBITDA	37,410	45,740	66,599	74,669
EBITDA Margin (%)	**32.5**	**32.7**	**32.7**	**33.3**
Depreciation & Amortization	7,949	11,190	20,285	21,120
EBIT	29,461	34,550	46,314	53,549
Interest expenditure	2,523	3,850	10,486	7,138
Other Non-operating Income	233	(940)	256	307
Recurring PBT	27,170	29,760	36,085	46,718
Profit / (Loss) from Associates	-	-	-	-
Less: Taxes	**7,616**	**7,340**	**9,093**	**11,773**
PAT	19,555	22,420	26,991	34,945
Less: Minority Interest	-	(250)	550	-
Extraordinaries (Net)	(440)	(1,040)	-	-
Net Income (Reported)	19,115	21,630	26,441	34,945
Net Income (Adjusted)	**19,429**	**22,404**	**26,441**	**34,945**

Source Company data, I-Sec research

Exhibit 11: Balance sheet

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Total Current Assets	55,110	85,260	1,11,484	1,09,454
of which cash & cash eqv.	5,790	11,650	18,468	8,217
Total Current Liabilities & Provisions	28,530	51,590	61,811	64,809
Net Current Assets	**26,580**	**33,670**	**49,673**	**44,644**
Investments	1,560	9,490	9,490	9,490
Net Fixed Assets	32,090	42,470	37,548	32,073
ROU Assets	2,460	6,620	6,620	6,620
Capital Work-in-Progress	4,780	6,540	6,540	6,540
Total Intangible Assets	44,910	2,82,700	2,74,334	2,65,689
Other assets	3,010	3,030	3,052	3,075
Deferred Tax Assets	5,950	6,980	6,980	6,980
Total Assets	**1,21,370**	**3,91,530**	**3,94,267**	**3,75,141**
Liabilities				
Borrowings	**30,560**	**1,48,350**	**1,33,350**	**91,510**
Deferred Tax Liability	**1,460**	**1,900**	**1,900**	**1,900**
provisions	5,010	7,650	7,650	7,650
other Liabilities	8,430	57,780	57,780	57,780
Equity Share Capital	1,690	1,690	1,690	1,690
Reserves & Surplus	74,220	82,200	99,387	1,22,101
Total Net Worth	**75,910**	**83,890**	**1,01,077**	**1,23,791**
Minority Interest	-	91,960	92,510	92,510
Total Liabilities	**1,21,370**	**3,91,530**	**3,94,267**	**3,75,141**

Source Company data, I-Sec research

Exhibit 12: Cashflow statement

(INR mn, year ending March)

	FY25A	FY26A	FY27E	FY28E
Operating Cashflow	**35,545**	**90,519**	**54,299**	**53,975**
Working Capital Changes	(4,766)	(54,259)	3,207	8,921
Capital Commitments	(7,199)	(2,65,280)	(6,997)	(7,000)
Free Cashflow	**28,346**	**(1,74,761)**	**47,302**	**46,975**
Other investing cashflow	**170**	**7,930**	**-**	**-**
Cashflow from Investing Activities	(7,029)	(2,57,350)	(6,997)	(7,000)
Issue of Share Capital	-	-	-	-
Interest Cost	-	-	-	-
Inc (Dec) in Borrowings	(10,136)	1,14,271	(21,000)	(38,165)
Dividend paid	(6,690)	(7,571)	(9,255)	(12,231)
Others	(14,290)	81,851	(10,230)	(6,831)
Cash flow from Financing Activities	(31,116)	1,88,551	(40,484)	(57,226)
Chg. in Cash & Bank balance	**(2,600)**	**21,720**	**6,818**	**(10,251)**
Closing cash & balance	5,790	27,510	18,468	8,217

Source Company data, I-Sec research

Exhibit 13: Key ratios

(Year ending March)

	FY25A	FY26A	FY27E	FY28E
Per Share Data (INR)				
Reported EPS	51.6	58.4	71.4	94.4
Adjusted EPS (Diluted)	52.5	60.5	71.4	94.4
Cash EPS	74.0	90.8	126.3	151.5
Dividend per share (DPS)	18.1	20.5	25.0	33.0
Book Value per share (BV)	205.1	226.7	273.1	334.5
Dividend Payout (%)	35.0	35.0	35.0	35.0
Growth (%)				
Net Sales	7.3	21.4	45.7	9.9
EBITDA	11.1	22.3	45.6	12.1
EPS (INR)	21.9	15.3	18.0	32.2
Valuation Ratios (x)				
P/E	89.5	79.0	64.7	48.9
P/CEPS	62.5	50.9	36.6	30.5
P/BV	22.5	20.4	16.9	13.8
EV / EBITDA	46.9	40.5	27.4	24.1
P / Sales	14.8	12.2	8.4	7.6
Dividend Yield (%)	0.0	0.0	0.0	0.0
Operating Ratios				
Gross Profit Margins (%)	75.9	75.8	75.6	75.8
EBITDA Margins (%)	32.5	32.7	32.7	33.3
Effective Tax Rate (%)	27.6	23.8	25.2	25.2
Net Profit Margins (%)	16.9	16.0	13.0	15.6
NWC / Total Assets (%)	-	-	-	-
Net Debt / Equity (x)	0.3	0.7	0.5	0.3
Net Debt / EBITDA (x)	0.6	2.8	1.6	1.0
Profitability Ratios				
RoCE (%)	19.0	11.7	10.9	13.0
RoE (%)	26.9	28.0	28.6	31.1
RoIC (%)	21.1	8.3	12.0	14.1
Fixed Asset Turnover (x)	3.6	3.8	5.1	6.4
Inventory Turnover Days	83	90	95	84
Receivables Days	61	87	77	68
Payables Days	60	68	72	63

Source Company data, I-Sec research

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