

# Equity Research Desk

# ALPHA



## Committed towards a healthier tomorrow



Founded: 1972  
HQ: Ahmedabad



Presence: 50+ countries



Core Focus: Chronic & sub-chronic therapies



Market Position: 7th largest pharma player in India



Global Strength: No.1 Indian pharma player in Brazil, Top 5 generics in Germany



Portfolio: Cardiac, Diabetes, CNS, Gastro, Derma & Consumer Health



Manufacturing: 8 plants with global regulatory approvals



Capabilities: Strong R&D and bio-evaluation centres



Edge: High prescription stickiness, strong brands, global scale

### Subsidiaries



Subsidiaries: 19 Subsidiaries | 1 Associate (as of FY25)

### Growth Strategies



#### Chronic-Led Growth Engine

- Branded generics in India and Brazil contribute 73% of revenue
- Chronic and sub-chronic therapies form 76% of India sales
- Strong doctor loyalty and patient stickiness support steady prescriptions
- 21 products in India's Top 500, including 18 brands with ₹100+ Cr sales



#### Diversified Portfolio with Rising Derma Focus

- Presence across chronic, sub-chronic and select acute therapies
- Growing dermatology and consumer health franchise via Curatio and Shelcal
- Expansion across Asia, Brazil and regulated markets
- Pipeline of 60+ filings in Brazil and complex generics in the US and Europe



#### Innovation and Specialty Pipeline

- Entry into peptides and complex generics, including semaglutide filing in Brazil
- Patents in niche formulations strengthen differentiation
- Continuous strengthening of core therapies through in-licensing and acquisitions

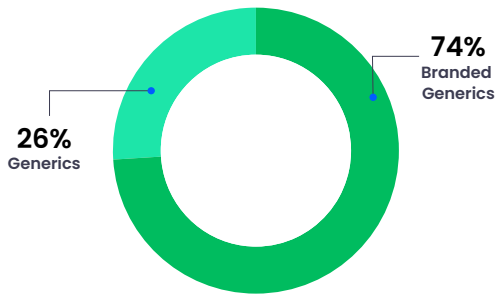


#### Value Catalyst from JB Chemicals Acquisition

- Enhances leadership in chronic and sub-chronic segments
- Adds strong brands like Cilacar and Rantac
- Improves scale, doctor reach and Tier-2/3 market presence
- Expected operating synergies across procurement, manufacturing and distribution

### Revenue Breakup – FY25

Total Revenue (FY25) – ₹11,516 crore



### Product Portfolio



#### Branded Generics & Generics

- Strong presence across chronic and sub-chronic therapies
- Cardiovascular, CNS, Gastro-Intestinal & Diabetology
- VMN, Anti-Infective & Pain Management segments
- Wide prescription-based portfolio across key global markets

### Financial Highlights



#### Q2FY26

- Revenue:** ₹3,302 Cr (↑ 14% YoY vs ₹2,889 Cr)
- EBITDA:** ₹1,083 Cr (↑ 15% YoY vs ₹939 Cr)
- Net Profit:** ₹591 Cr (↑ 30% YoY vs ₹453 Cr)
- Geography Growth:** India ↑ 12%, Brazil ↑ 21%, Germany ↓ 5%
- Chronic Business:** ↑ 13% vs IPM chronic growth 11% (driven by cardiac & gastro segments)



#### FY25

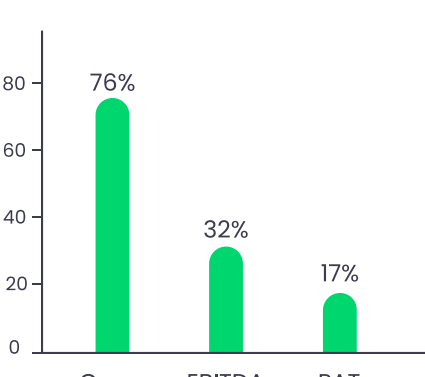
- Revenue:** ₹11,516 Cr (↑ 7% YoY)
- EBITDA:** ₹3,721 Cr (↑ 10% YoY)
- Net Profit:** ₹1,911 Cr (↑ 15% YoY)



#### 3-Year Financial Performance (FY23–25)

- CAGR :** Revenue ↑ 11% | Net Profit ↑ 21%
- Avg. ROE & ROCE:** 24% / 21%
- Debt-to-Equity Ratio:** 0.33 – robust capital structure

### Margins–FY25



### Market Data

CMP	₹3792
Date	12-Dec-25
Target Price	₹4468
Upside Potential	18%
52 Week High/Low	3882/2886
NSE Code	TORNTPHARM
Market Cap	Large
Sector	Pharmaceuticals
Rating	BUY

### Shareholding Pattern



### Ratios – FY25

ROE	25%
ROCE	31%
Div. Yield	0.83%
PE Ratio (x)	57.1
Face Value	5.00
EPS	56.47

### Industry Outlook



#### Indian Pharmaceutical Industry

Global Ranking: 3rd largest by volume, 14th by value



Market Size: ₹4,71,295 Cr (US\$55B) in 2025 → projected ₹10,28,280–11,13,970 Cr (US\$120–130B) by 2030



Global Contribution: 20% of generic exports, 60% of vaccine supply



Growth Drivers: Rising healthcare demand, chronic disease incidence, domestic API & R&D push, government initiatives for self-reliance



Trends: Higher income levels, broader health insurance coverage, shift toward chronic therapies

### Growth Drivers



FDI: 100% for greenfield, 74% for brownfield pharmaceutical projects



Rising Demand: Growing middle class, better healthcare access, increasing chronic illness prevalence (diabetes, CV, CNS)



Government Support: ₹5,268.72 Cr (US\$602.9M) allocated to Department of Pharmaceuticals in Union Budget 2025–26

### Competitive Advantage



#### Peer Analysis

Key Competitors: Cipla Ltd, Dr. Reddy's Laboratories Ltd

Edge: Disciplined capital allocation, strong financial performance

### Peer Analysis

Company	CMP	Mcap	ROCE	ROE	3Yr Sales CAGR	P/E	EPS
Torrent Pharma	3792	127927	27.00%	27.00%	11.00%	60	63.23
Cipla	1517	122389	23.00%	18.00%	8.00%	23	67.37
Dr Reddy's Lab	1279	106790	23.00%	18.00%	15.00%	18	69.17

### Outlook



Strong growth supported by high prescription stickiness in chronic therapies



Expanding international footprint: Philippines, Nepal, Latin America



Growth engines: complex generics, peptides, robust regulated-market filings



FY26 Launches: 8–10 in Brazil, ~10 in the US; 4–5 new Q1 products including Esomeprazole



Curatio portfolio growth backed by 7,000 MRs (600 added in FY26)



Recommendation: BUY | Target Price: ₹4,468 (40× FY27E EPS)

We also encourage maintaining a stop-loss at 20% from the entry price to manage potential downside risk effectively.

### SWOT Analysis



#### Strengths

- Leading Indian pharma player in Brazil & among top in Germany; strong chronic therapy presence in India
- Strong branded-generics portfolio with high prescription stickiness & doctor loyalty
- Growing derma & consumer-health franchise via Curatio



#### Weaknesses

- Exposure to forex fluctuations due to significant international operations
- Vulnerable to supply-chain disruptions in regulated markets dependent on third-party suppliers



#### Opportunities

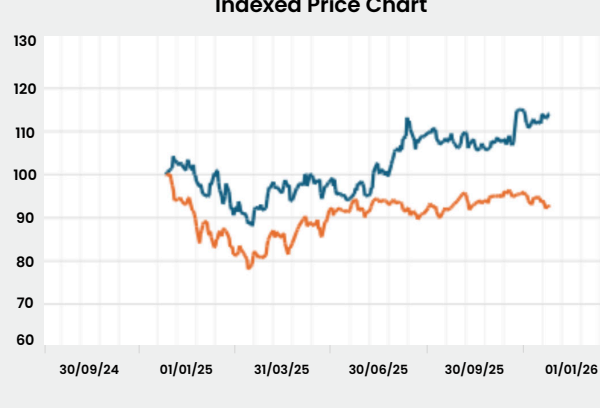
- Backward integration & expanded manufacturing to support complex generics & peptides
- Large pipeline: peptides, complex generics (e.g., semaglutide), 60+ molecules in Brazil
- Expansion into Philippines, Nepal & Latin America



#### Threats

- Regulatory risks: USFDA actions, price caps on essential medicines
- Rising competition in branded generics from domestic players

### Indexed Price Chart



Note: To read the Disclaimer and Disclosure, [click here](#)

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