Torrent Pharma

13 February 2026

Operator: Ladies and gentlemen, good day and welcome to the Q3 FY26 earnings conference call of Torrent Pharmaceuticals Ltd. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sudhir Menon, Executive Director Finance and CFO. Thank you and over to you, sir.

Management: Thank you. Good evening everyone and welcome to the third quarter earnings call for Q3 FY26. This quarter we continue to see healthy performance in our branded markets, which accounted for roughly 75% of the overall revenues this quarter. Our two largest branded markets, India and Brazil, each continue to deliver healthy double-digit growth.

The India business grew at 14% and Brazil grew at 27%. Constant currency growth in Brazil for the quarter was 10% while the secondary sales grew at 13%. On the generic side, the US business grew at 19% and Germany grew at 8%. In constant currency terms, Germany revenues have declined by 6% mainly due to the continued disruption at a third-party supplier.

Quickly on the financial performance for Q3, revenues were 3,303 crores, up by 18%. Operating EBITDA at 1,088 crores grew by 19% and operating EBITDA margin stands at 32.9%.

A very quick update on the JB Pharma acquisition. We have acquired the controlling stake of 46.39% in JB on January 21, followed by another 2.41% stake purchased from certain employees. Effectively, from January 21, JB will start getting consolidated into Torrent Pharma. As a next step, we expect the SEBI approval for the merger scheme soon and we will file the merger application with NCLT over the next few days. Overall, we remain on track to complete the transaction as per previously indicated timelines. I will now hand over the call to Aman for the India business.

Management: Thanks. India revenue at 1,798 crores registered a growth of 14%. As per the AIOCD Pharmatrac data, the IPM growth for the quarter was 10%. We are seeing continued volume outperformance over the IPM in chronic and subchronic therapies led by cardiac, gastro, and diabetes segments.

The Curatio business grew at 27% in Q3 and also 27% in YTD nine months for the year driven by strong demand generation on account of OTC ad spends and field force expansion. We are hopeful that the high growth now should continue for the rest of the financial year as well. Our field force strength at the end of the quarter stands at 6,900 versus 6,800 last quarter, and we remain on track to close the financial year with a strength of just over 7,000. Going forward, we expect our India business to continue to outperform the market growth.

Our focus during the rest of the year will be to continue improving our market share in focus therapies, improving field force productivity in the expansion, and scaling up of the Curatio business. An update on JB: following the acquisition of controlling interest of 48.8% in the company, our priority now is to ensure continuity in business operations and ensure there is a smooth transition under the new leadership team. I will now hand over to Mr. Sanjay Gupta for the international business of Torrent.

Management: Thanks. We will start with the branded generics market of Brazil. Based on internal sales, Q3 constant currency revenue was 224 million Brazilian Reals, registering a 10% year-on-year growth. Our QVR data shows Q3 market growth at 7% with Torrent growing at 13%. We are seeing healthy volume growth coupled with mid-single-digit pricing increase. Torrent has a rich pipeline of 60 molecules which are currently awaiting approval at ANVISA.

In Germany, our German business registered a constant currency revenue of 29 million Euros, down by 6%. As highlighted last quarter, growth continues to be impacted due to disruption at a third-party supplier. In the US, we registered constant currency revenues of $36 million, up by 12%. Growth is coming from our new launches where we have achieved our target market share and we are also seeing increased purchase volume on existing contracts. I would like to conclude the opening comments here and open the call up for questions.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to please use handsets while asking a question. Ladies and gentlemen, we will now wait for a moment while the question queue assembles. Our first question comes from the line of Damayanti Kirai from HSBC. Please go ahead.

Damayanti Kirai – HSBC: Hi, thank you very much for the opportunity. My first question is on the JB acquisition. You mentioned you now have a 48.8% stake and it will be consolidated as part of your financials. Will it be a line-by-line consolidation, or how will you account for it before the complete merger happens?

Management: Consolidation is line-by-line. Effective from January 21 until March 31, the Q4 numbers will include JB numbers.

Damayanti Kirai – HSBC: Okay, that is clear. Regarding the India segment, for the 14% growth, can you please break down the cost, volume, price, and new launches as you generally do?

Management: As per the AIOCD Pharmatrac data, our reflected growth is 14%, which is the same as the reported growth. The breakup of that 14% is 5.5% volume versus 1.2% for the market, 5.8% price versus 5.6% for the market, and 2.7% new products versus 2.8% for the market.

Damayanti Kirai – HSBC: Thanks. My last question is on Germany. We are yet to see a resolution of this supply disruption. What is the timeline when you think things can come back on track here?

Management: Unfortunately, I cannot give a timeline because our supplier is caught up in regulatory issues and I do not have visibility as to when they will start manufacturing again. These days, it is very complicated in Europe because they also consider the operations of the US FDA. There is a lot of interaction between EMA and FDA, so things are taking longer to resolve. Obviously, I cannot give you guidance.

Damayanti Kirai – HSBC: Is there a possibility to move to an alternative supplier, or would even that be very time-consuming?

Management: It is time-consuming, but we are working on it. We started work on it last quarter. It will take at least 3-4 quarters to get an alternate supplier on board. We are trying to move some of the products to our own facilities.

Damayanti Kirai – HSBC: Okay, thank you. I will get back in the queue.

Operator: Thank you. Participants, you may press star and one to ask a question. Our next question comes from the line of Gautam Rajesh from Leo Capital. Please go ahead.

Gautam Rajesh – Leo Capital: Hi, good evening. Thank you for taking my question. My question was regarding GLP-1. Do you have any fill-and-finish capacity for it, and is that for the Indian market or emerging markets?

Management: No, we do not. We only have capacity for the oral version. Everything else will be partnered for India and other markets.

Gautam Rajesh – Leo Capital: All right. Who would be your partner? Is it possible to reveal?

Management: We can share that once we launch.

Gautam Rajesh – Leo Capital: Understood. Which geographies will you be launching in, and will the partnership be only in India or everywhere else?

Management: For the injectable, the partnership is across all territories. The first launch is most likely going to be India, followed by other markets. We can share an update once the launch is done next quarter.

Gautam Rajesh – Leo Capital: Understood. You do not want to reveal the other markets right now, or is that possible?

Management: We already shared information about Brazil last time. Nothing changes in terms of timelines. It is a bit behind what we would have liked, probably sometime in the next financial year. Even though we would be late to the game, the market opportunity is much larger than the Indian market, so it should still be an interesting opportunity.

Gautam Rajesh – Leo Capital: Understood. Thank you.

Operator: Thank you. Our next question comes from the line of Neha M from Bank of America. Please go ahead.

Neha M – Bank of America: Thanks for taking my question. Now that you have acquired the stake in JB, and knowing that the merger still depends on approvals, how should we think about the synergies beyond the continuity of operation and transition? Should we expect those to essentially all come through once the merger is done? What can we expect in the next 6-12 months and, longer term, how should we look at the synergies from the deal?

Management: In terms of timelines, until the effective merger order, both entities will remain separate. Once we file with the NCLT, the timeline for integrating both entities should be approximately 6-9 months, as indicated earlier. Some part of the synergy will start flowing from now, but a major part will come post-integration.

Neha M – Bank of America: If you do not want to quantify it, what areas of synergies do you think you can get now before the merger? I understand what can come after, but what can you bring to the table now before the merger happens?

Management: We are happy to quantify it at this stage. Our synergy target is approximately 400-450 crores over the next 2-3 years. Perhaps 20% of that could be in the first year, up to 80% in the second year, and the rest in the third year.

Neha M – Bank of America: So you said 400-450 crores in the next 2-3 years?

Management: That is correct.

Neha M – Bank of America: And the first year is starting now, not the first year after the merger?

Management: The first year would mean now. Some effects will come subsequently in the coming quarters, but we will start seeing some benefit in the subsequent quarters already.

Neha M – Bank of America: Regarding this 20% in synergies, would these be largely cost synergies initially? I assume revenue synergies would require a merger.

Management: This number represents only cost synergies. We have not looked at revenue synergies yet. We will wait for the first-year top line to stabilize before looking at revenue synergies.

Neha M – Bank of America: Understood. Thank you so much. That is very helpful.

Operator: Thank you. Our next question comes from the line of Aditya Vikram from DD Securities Private Limited. Please go ahead.

Aditya Vikram – DD Securities: Hi, am I audible? My question is regarding the JB merger. What would be the margin guidance once the merger happens, considering you will have cost savings? JB currently has an EBITDA margin of 18-19%, while you are at 32%. Even with synergies, will this be margin-accretive?

Management: Firstly, JB's margin is closer to 28-29% EBITDA margin. Our margin this year has been in the range of 32.5-33%. There is definitely scope to bring JB's margin closer to our base business margin in the next financial year. Standalone JB certainly has significant scope for margin improvement.

Aditya Vikram – DD Securities: In terms of the US, how are you seeing growth there? Is it stabilizing with the tariff news out of the way? Are you seeing potential to grow above 20% on the US side in subsequent quarters?

Management: In the US, we are a very small player, doing 35-36 million a quarter. It is really dependent upon new launches and the level of competition. We are augmenting our pipeline, but it is hard to give guidance today. We are looking at one-directional sales growth from here. We are not happy with the current level of 150-160 million. The first target I am looking to cross is 200 million per year, and hopefully, next year we will do that.

Aditya Vikram – DD Securities: I just want to clarify one more time: did you say you will continue with double-digit volume growth for the India business in subsequent quarters?

Management: What we said was we will continue the above-market volume growth. Double-digit growth overall includes price and new products. Our volume growth was approximately 5.5% for the quarter.

Aditya Vikram – DD Securities: Understood. Thank you very much for clarifying.

Operator: Thank you. Our next question comes from the line of Kunal Randaria from Access Capital. Please go ahead.

Kunal Randaria – Access Capital: Good evening. Regarding the Brazilian GLP-1 market, which is around a billion dollars, what competitive scenario do you see for the first wave of launches? What kind of price erosion would you expect?

Management: We do not think we will be the first to launch; we will likely be between the third and fifth. We filed for Ozempic, which is currently a 270 million dollar market. Wegovy will come later. I cannot give specific guidance on price erosion because it depends on the number and type of players. To be safe, you can estimate at least 45-50% price erosion in the Brazilian market.

Kunal Randaria – Access Capital: Are only Ozempic generics hitting the market, or are some players also launching Wegovy generics?

Management: Wegovy generics in Brazil are behind. Ozempic was launched first, and Wegovy came much later from the innovator. Therefore, the Wegovy generics are running behind the Ozempic ones.

Kunal Randaria – Access Capital: Do you think some substitution could happen because Ozempic will become cheaper versus Wegovy?

Management: It is hard because the laws are very strict. Brazilian law requires the pharmacist to keep a copy of the prescription and ensure the right product is dispensed. The government is being very strict with semaglutide usage, so I expect the substitution to be minimal.

Kunal Randaria – Access Capital: So you would be launching Ozempic this year and then Wegovy sometime next year?

Management: I cannot give the exact timing because it is in the hands of the regulator. The regulator is prioritizing semaglutide generics and has moved us up in the queue. We have the pieces in place and will be ready to launch once approved.

Kunal Randaria – Access Capital: For the India business, you said the sales force would go up to 7,000 at the end of FY26. Are you on track for that?

Management: That is correct. It will be just over 7,000, maybe close to 7,100. We may have additional visibility to reach around 7,500 by the end of FY27.

Kunal Randaria – Access Capital: Got it. Thank you and all the best.

Operator: Thank you. Our next question comes from the line of Vivek Agarwal from Citigroup. Please go ahead.

Vivek Agarwal – Citi: Thanks for the question. You highlighted disruption from a supplier. Is that disruption fully reflected in these numbers?

Management: Yes, it is fully reflected.

Vivek Agarwal – Citi: On the US side, sales are hovering around 33-35 million dollars a month. Now that your facilities are clear, when do you expect a meaningful jump? Is there a possibility it reaches 45-50 million?

Management: It can only go up from here. I would guide towards at least 5-7 launches a year. I am targeting crossing 200 million per year, hopefully next year.

Vivek Agarwal – Citi: Regarding the JB acquisition, is there any possibility growth could slow down during integration?

Management: The fundamentals of the business are robust. We do expect a bit of a course correction in this current Q4 because of the change of control and integration of processes. Q4 could be a little muted, but Q1 onwards should be back on track.

Vivek Agarwal – Citi: Regarding Brazil, the semaglutide launch seems to have been pushed to next year. Is ANVISA taking more time to approve filings?

Management: The file is solid and the regulator is prioritizing the product. We have sent a complete file. Beyond that, there is not much more to say.

Vivek Agarwal – Citi: Thank you.

Operator: Thank you. Our next question is from the line of Bunsi Desai from JP Morgan. Please go ahead.

Bunsi Desai – JP Morgan: Until the JB merger concludes, how will the marketing of JB brands work? Will Torrent MRs market JB brands, or will they remain separate?

Management: They will be separate. All divisions of JB will remain within JB until the merger. Only post-merger will any changes be possible.

Bunsi Desai – JP Morgan: If there is MR attrition on the JB side, how do we ensure we do not see disruption in sales?

Management: Attrition in the last 6 months has been pretty much the same as historical levels. We do not see any reason for it to increase after the closure of the transaction. We will do our best to reduce attrition as much as possible.

Bunsi Desai – JP Morgan: Regarding the purchase price, could we get a breakup between goodwill and intangibles? How many years should we think about for amortization?

Management: The amortization policy for Torrent is 15 years. The purchase price allocation work is ongoing. By the end of February, we should have the numbers and I will be able to guide you.

Bunsi Desai – JP Morgan: How should we think about debt repayment? In how many years do we return to a net cash position?

Management: For the integrated Torrent, FY28 net debt to EBITDA should be around 1-1.1x, and by FY29 it should be around 0.6x. The average cost of interest is roughly 7.6%.

Bunsi Desai – JP Morgan: All right. Thank you.

Operator: Thank you. Our next question comes from the line of Abdul Khader Puranwala from ICICI Securities. Please go ahead.

Abdul Khader Puranwala – ICICI Securities: How are you dealing with senior-level attrition at JB, especially where the CEO and CFO have resigned? Will the Torrent team take over completely?

Management: For critical roles like the CFO, there will be a separate CFO for JB. There will be a separate team running the senior level where required, and eventually, it will all merge into Torrent.

Abdul Khader Puranwala – ICICI Securities: While most geographies have a currency benefit, your other income is negative for the quarter. What explains that?

Management: There is a hedging loss of approximately 45 crores booked in other income.

Operator: Thank you. The next question is from the line of Gaurav T from Ambit. Please go ahead.

Gaurav T – Ambit: A clarification on the synergy number of 400-450 crores: is that inclusive of the gross margin synergies on the Novartis ophthalmic portfolio that JB has?

Management: No, it does not include that. It also does not include the Azmarda portfolio.

Gaurav T – Ambit: Regarding Brazil, excluding semaglutide, any guidance on the number of new product launches and growth trajectory for the next 2-3 years?

Management: We will be doing approximately 5-6 launches. Market growth has slowed to 6-7%, and I am targeting 10-15% growth for Torrent. Brazil has muted considerably because inflation is under control. Price increases are now in the 4-5% range. Combining that with volume and new products, 10-15% is reasonable to expect.

Gaurav T – Ambit: Thank you.

Operator: Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services Limited. Please go ahead.

Tushar Manudhane – Motilal Oswal Financial Services: Is there any therapy or segment in JB that is not aligned with the Torrent Pharma strategy which you would eliminate?

Management: The JB trade generic business is not something we are looking to continue in its current form. It has been run at nearly 0% margin. We plan to shift some of it to our base trade generic business at the earliest. Internationally, everything is fairly complementary.

Tushar Manudhane – Motilal Oswal Financial Services: Beyond India, Brazil, the US, and Germany, are there other geographies where Torrent intends to build a presence?

Management: We are preparing future large markets like Russia, Mexico, and the Philippines. We want these to become 50 million dollar markets in the medium term. JB adds scale in emerging markets, especially in Africa, Eastern Europe, and Russia. In Russia, they bring about 50% of our current 20 million dollar business. This combined scale allows us to invest more and increase momentum.

Tushar Manudhane – Motilal Oswal Financial Services: Thanks.

Operator: Thank you. Our next question is from the line of Girish Bakru from Orbimed. Please go ahead.

Girish Bakru – Orbimed: Regarding ANVISA, with 11-12 filers on semaglutide, how many can it approve in the first wave?

Management: There is no quota system in Brazil. They can approve as many as meet the requirements. I have never seen a limitation on the number of approvals. I am hoping to be in the first five.

Girish Bakru – Orbimed: Is the supply chain different for a product like this? Do you need large local distributors like Santa Cruz to reach the market?

Management: Big distributors have refrigerated supply chains. It is not an issue. Brazil is a prescription-driven market, much like India. We have to convince physicians about the quality and service. We do not anticipate a barrier to entry on the distribution front.

Girish Bakru – Orbimed: Thank you.

Operator: Thank you. The next question is from the line of Vivek Agarwal from Citigroup. Please go ahead.

Vivek Agarwal – Citigroup: Qualitatively, what is the potential for revenue synergies from the JB deal over a period of time?

Management: Our experience with the Curatio acquisition showed that growth increased once we leveraged Torrent's established presence and brand equity. Cardiac and gastro are the largest contributors for both Torrent and JB. Because of Torrent's extensive field force, the opportunity to enhance reach is significant. We will not focus on this in the first year—that will be about cost synergies—but from the second year onwards, the revenue synergy opportunity is quite significant.

Vivek Agarwal – Citigroup: Thank you.

Operator: Thank you. The next question comes from the line of Tushar Manudhane from Motilal Oswal Financial Services Limited. Please go ahead.

Tushar Manudhane – Motilal Oswal Financial Services: What was the net debt number at the end of Q3?

Management: The net debt as of December 31 is approximately 880 crores.

Tushar Manudhane – Motilal Oswal Financial Services: Thank you.

Operator: Thank you. Ladies and gentlemen, that was our last question for today. I would now like to hand the conference over to Mr. Sanjay Gupta, Executive Director of International Business, for closing comments.

Management: Thank you very much for joining this call. I look forward to updating you in the future on our progress. Thank you.

Operator: On behalf of Torrent Pharma, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.