

FOR IMMEDIATE RELEASE

Sun Pharma reports Q1FY20 results

Gross Sales at Rs.8,259 crores up 16%
Net Profit at Rs.1,387 crores up 31%

Mumbai, August 13, 2019: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the first quarter ending June 30th, 2019.

Highlights of Q1FY20 consolidated financials

- Sales / Income from operations at Rs. 8,259 crores, a growth of 16% over same quarter last year.
- India sales at Rs. 2,314 crores, growth of 8% over Q1 last year.
- US finished dosage sales at US\$ 424 million, up by 12% over Q1 last year.
- Emerging Markets sales at US\$ 194 million, flat over Q1 last year.
- Rest of World sales at US\$ 167 million, growth of 56% over Q1 last year.
- R&D investments at Rs. 422 crores (5.1% of sales) compared to Rs. 500 crores (7% of sales) for Q1FY19.
- EBITDA at Rs. 1,881 crores, resulting EBITDA margin of 22.8%.
- Net profit for quarter at Rs. 1,387 crores with resulting net profit margin at 16.8%.

These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Dilip Shanghvi, Managing Director of the Company said, "We have recorded growth across most of the markets for the quarter and our performance is in-line with our full-year guidance. We are consistently focusing on improving our efficiencies and cost structure to ensure reasonable returns for our generics business. At the same time, we continue our unwavering efforts on building the specialty business and are encouraged by the potential of one of our pre-clinical research molecules which is likely to enter clinical trials next year. The recent out-licensing of Tildrakizumab and Cequa for Greater China market and the regulatory filing of Tildrakizumab in Japan reflects our global aspirations for the specialty business. Ilumya/Ilumetri is gradually gaining traction in the US and Western Europe."

India Business – Market Leadership

Sale of branded formulations in India for Q1FY20 was Rs. 2,314 crores, up by 8% over Q1 last year and accounted for 28% of total sales.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 132,000 crore Indian pharmaceutical market as per AIOCD AWACS June-2019 report. For Q1FY20, the company launched 10 new products in the Indian market.

US Formulations

Sales in the US were US\$ 424 million for the quarter, a growth of 12% over same period last year and accounted for 36% of total sales. Sales for the quarter include the contribution from a significant business of generic supply to a customer.

At the same time, Taro posted Q1FY20 sales of US\$ 161 million, up 4% over Q1 last year. Taro's net profit for Q1 was US\$ 66 million, marginally down over Q1FY19.

Emerging Markets

Our sales in emerging markets were at US\$ 194 million for Q1; flat over same quarter last year. While the business has grown on constant currency basis, unfavourable currency movements have impacted the overall growth. Sales in emerging markets accounted for 16% of total sales for the quarter.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 167 million in Q1FY20, a growth of 56% over Q1 last year and accounting for approximately 14% of revenues. Growth drivers include both, organic initiatives as well as consolidation of Pola Pharma (Japan) business.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q1FY20, external sales of API were at Rs. 461 crores, up by 17% over Q1 last year.

Research – Investing for future

Consolidated R&D investment for Q1FY20 was Rs. 422 crores, or 5.1% of sales compared to Rs. 500 crores or 7% of sales for Q1 last year.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 466 products while filings for 108 ANDAs await US FDA approval, including 13 tentative approvals. For the quarter, 3 ANDAs were filed and 13 approvals were received. Additionally, the pipeline includes 52 approved NDAs while 6 NDAs await US FDA approval.

Building an early stage innovation pipeline

Sun Pharma has commenced research on developing an early stage innovation pipeline for its specialty business. Addition of new research candidates is imperative to ensure sustainability of the specialty pipeline in the long term. The current early stage specialty pipeline includes some pre-clinical research candidates of which, one molecule has demonstrated best-in-class therapeutic effect in early pre-clinical models and is likely to enter clinical trials next year.

Disclaimer:

Statements in this "Document" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied.

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Earnings Call (06.30 pm IST, August 13, 2019)

The Company will host an earnings call at 06.30 pm IST on August 13, 2019, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference Participants can dial-in on the numbers below
Primary number: +91 22 6280 1278 / +91 22 7115 8179
Playback of call: +91 22 7194 5757 / +91 22 6663 5757, Conference ID: 74189

Web-cast More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call. The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

About Sun Pharmaceutical Industries Ltd. (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enables it to deliver high-quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. Its global presence is supported by manufacturing facilities spread across 6 continents and approved by multiple regulatory agencies, coupled with a multi-cultural workforce comprising over 50 nationalities. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 7% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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