

Sun Pharmaceutical Industries Limited

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FOR IMMEDIATE RELEASE

Sun Pharma reports Q3FY21 results

Q3 Gross Sales at Rs. 8,782 crores up 9% YoY

Q3 Net Profit at Rs. 1,852 crores up 103% YoY

Mumbai, January 29, 2021: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the 3rd quarter & nine month ending December 31st, 2020.

Highlights of Q3FY21 consolidated financials

- Consolidated sales from operations at Rs. 8,782 crores, growth of 9.2% over Q3 last year
- India sales at Rs. 2,753 crores, growth of 9.4% compared to Q3 last year
- US finished dosage sales at US\$ 374 million, growth of 7% compared to Q3 last year
- Emerging Markets sales at US\$ 204 million, up by 4.7% over Q3 last year
- Rest of World sales at US\$ 173 million, up by 11.7% over Q3 last year
- R&D investments at Rs. 560 crores (6.4% of sales) compared to Rs. 527 crores (6.6% of sales) for Q3FY20
- EBITDA at Rs. 2,351 crores, up by 36.3% over Q3 last year, with resulting EBITDA margin of 26.8%
- Net profit for Q3 at Rs. 1,852 crores, up 102.8% over Q3 last year, with resulting net profit margin of 21.1%

Highlights of 9mFY21 consolidated financials

- Consolidated sales from operations at Rs. 24,708 crores, up by 1.9% over same period last year.
- India sales at Rs. 7,672 crores, up by 4.5% over 9 months last year.
- US finished dosage sales at US\$ 991 million, a decline of 11% over 9 month last year. Sales for 9 month last year included a one-time contribution from the special business in US and hence the numbers are not strictly comparable.
- Emerging Markets sales at US\$ 587 million, flat over 9 month last year.
- Rest of World sales at US\$ 486 million, flat over 9 month last year.
- EBITDA at Rs. 6,176 crores up by 18.3% over 9 month last year, with resulting EBITDA margin of 25%.
- Excluding the exceptional items, adjusted net profit for 9mFY21 was at Rs. 4,589 crores, up 36.4% YoY, with resulting net profit margin at 18.6%. Reported net profit for 9mFY21 was at Rs. 2,010 crores.

These results were taken on record by the Board of Directors at a meeting held today. The Board has proposed an interim dividend of Rs. 5.50 per share for the year FY21.

Dilip Shanghvi, Managing Director of the Company said, "Our Q3 performance reflects continued profitable business growth in a market that is gradually recovering from the impact of the global pandemic. Most of our businesses have done well over Q3 last year. Our global specialty sales have continued to show an improving trend and have crossed pre-Covid levels. Global Ilumya sales for nine months ended Dec'20 have already crossed last full year's sales."

Debt Repayment

The company has repaid debt of about US\$ 490 million in 9mFY21 compared to the debt as of March 31, 2020.

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India Business – Market Leadership

Sale of branded formulations in India for Q3FY21 were at Rs. 2,753 crores, up by 9.4% over Q3 last year, accounting for 31% of total sales. For the nine month, sales were at 7,672 crores, up by 4.5% over same period last year.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 145,000 crore Indian pharmaceutical market as per AIOCD AWACS MAT December-2020 report. For Q3FY21, the company launched 27 new products in the Indian market.

US Formulations (including Taro)

Sales in the US were US\$ 374 million, up 7% over Q3 last year, accounting for about 31% of total consolidated sales. For nine month sales were US\$ 991 million recording a de-growth of 11% over same period last year. Sales for nine month last year included a one-time contribution from the special business in US and hence the nine month numbers are not strictly comparable.

Taro Performance

Taro posted Q3FY21 sales of US\$ 140 million, down 5.1% YoY and net profit of US\$ 33 million, down by 51.2% over Q3 last year. For the nine month period, sales were US\$ 401 million, down by 14.7% over nine month last year. Excluding the one-time settlement charge of US\$ 478.9 million, adjusted net profit for 9mFY21 was US\$107 million compared to US\$ 190 million in 9mFY20. Taro's reported net loss for 9mFY21 was US\$ 357 million.

Emerging Markets

Our sales in Emerging Markets were at US\$ 204 million for Q3, a growth of 4.7% over Q3 last year. Overall sales in Emerging Markets accounted for about 17% of total consolidated sales for the quarter. For the nine month, sales were US\$ 587 million, flat over nine month last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets, excluding US and Emerging Markets, were US\$ 173 million in Q3FY21, up by 11.7% over Q3 last year and accounted for approximately 15% of total consolidated sales. For the nine month, sales were US\$ 486 million, flat over the nine month period last year.

Active Pharmaceutical Ingredients (API): Strategic strength

For Q3FY21, external sales of API were at Rs. 450 crores, down 10.5% over Q3 last year. For the nine month, API sales were at Rs. 1,515 crores, up by 5.7% over nine month last year. Our API business imparts benefits of vertical integration and continuity of supply chain for our formulations business. We continue to focus on increasing API supply for captive consumption for key products.

Research – Investing for future

Consolidated R&D investment for Q3FY21 was Rs. 560 crores, or 6.4% of sales as compared to Rs. 527 crores (6.6% of sales) for Q3 last year. For the nine month, R&D expense was Rs. 1,593 crores, or 6.4% of sales.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 497 products while filings for 90 ANDAs await US FDA approval, including 22 tentative approvals. For the quarter, 2 ANDAs were filed and 3 approvals were received. Additionally, the pipeline includes 55 approved NDAs while 8 NDAs await US FDA approval.

Sales and R&D

(₹ in Crore)

Particulars	Quarter ended			Nine month ended	
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019
India Formulations	2,752.79	2,531.13	2,516.99	7,672.35	7,345.41
US Formulations	2,760.88	2,491.98	2,492.42	7,389.27	7,829.62
Emerging Market	1,507.07	1,558.78	1,390.14	4,381.91	4,150.40
ROW Formulations	1,275.84	1,321.95	1,103.52	3,627.76	3,399.74
Total Formulations	8,296.58	7,903.84	7,503.07	23,071.29	22,725.17
Bulk	450.49	510.44	503.18	1,514.67	1,432.48
Others	34.77	44.49	32.40	121.84	89.49
Total Sales	8,781.84	8,458.77	8,038.65	24,707.80	24,247.14
Total R&D Expenditure	559.50	612.73	527.13	1,592.83	1,437.58
Capital	7.98	15.27	9.09	28.66	32.92
Revenue	551.52	597.46	518.04	1,564.17	1,404.66
Exchange Rates : \$ 1 = ₹	73.77	74.37	71.26		

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. The Company undertakes no obligation to update or revise forward looking statements to reflect developments or circumstances that arise or to reflect the occurrence of unanticipated developments/circumstances after the date hereof.

Earnings Call (06.30 pm IST, January 29, 2021)

The Company will host an earnings call at 06.30 pm IST on January 29, 2021, 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
Universal number: +91 22 5064 1325

Pre-registration details Click here [DiamondPassRegistration](#)
(to avoid wait time)

Playback of call: +91 22 7194 5757/ +91 22 6663 5757, Conference ID: 57518

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.

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About Sun Pharmaceutical Industries Limited (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 6% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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