

FOR IMMEDIATE RELEASE

Sun Pharma reports Q4FY19 results *Q4 Adjusted Gross Sales at Rs. 8,129 crores up 21%*

Mumbai, May 28, 2019: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter & full year ending March 31st, 2019.

Highlights of Q4FY19 consolidated financials

- Sales / Income from operations at Rs. 7,044 crores, a growth of 5% over same quarter last year. Sales for the quarter include a one-time impact of approximately Rs. 1,085 crores related to the change in distribution for India business. Consolidated sales, adjusted for this one-time impact were at Rs. 8,129 crores, a growth of 21% over Q4 last year.
- India sales at Rs. 1,101 crores, down by 44% over Q4 last year for reasons stated above. Adjusted India sales growth was 11% for the quarter over Q4 last year.
- US finished dosage sales at US\$ 443 million, up by 20% over Q4 last year. This growth was mainly driven by a significant business of generic supply to a customer, to be serviced over 6 months starting from Q4FY19.
- Emerging Markets sales at US\$ 173 million, down by 13% over Q4 last year.
- Rest of World sales at US\$ 153 million, growth of 32% over Q4 last year. Financials of Pola Pharma (Japan) have been consolidated with effect from 01-Jan-2019.
- R&D investments at Rs. 567 crores (8% of sales) compared to Rs. 743 crores (11% of sales) for Q4FY18.
- Reported EBITDA at Rs. 897 crores includes the one-time impact of the change in distribution for India business.
- Reported net profit for Q4FY19 was at Rs. 636 crores with resulting net profit margin at 9%. This is not comparable with Q4 of last year due to the one-time impact of distribution change for India business in Q4FY19 as well as the one-time tax benefit of Rs. 259 crores for same quarter during the last year.

Highlights of FY19 consolidated financials

- Sales / Income from operations at Rs. 28,686 crores, growth of 10% over same period last year. Adjusted for the one-time impact of distribution change for India business, consolidated sales have grown by 14% over the previous year.
- India sales at Rs. 7,348 crores, down by 8% over last year for reasons stated above. Adjusted India sales growth was 5% for the year; not comparable to last year.
- US finished dosage sales at US\$ 1,526 million up by 12% over same period last year.
- Emerging Markets sales at US\$ 767 million up by 2% over same period last year.
- Rest of World sales at US\$ 494 million, growth of 7% over same period last year.
- EBITDA at Rs. 5,928 crores, resulting EBITDA margin of 21%.
- Net profit was at Rs. 2,665 crores with resulting net profit margin at 9.3%.

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, "In spite of the one-time impact for India business, our full year sales have grown by double digits. We continue to focus on executing our global specialty strategy. Ilumya is expected to gradually gain traction in US in FY20 while Cequa launch is expected in the coming months. At the same time, we are strengthening our core operations, optimizing the cost structure and enhancing our overall efficiencies."

India Business – Market Leadership

Sale of branded formulations in India for Q4FY19 was Rs. 1,101 crores, down by 44%. Excluding the one-time impact of distribution change, sales for India business in Q4FY19 were Rs. 2,186 crores, up by 11% over Q4 of last year. For the full year, adjusted sales were at Rs. 8,433 crores, up by about 5%.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 131,000 crore Indian pharmaceutical market as per AIOCD AWACS March-2019 report. For Q4FY19, the company launched 12 new products in the Indian market.

US Formulations

Sales in the US were US\$ 443 million for the quarter, a growth of 20% over same period last year and accounted for 44% of total sales. For the full year FY19, sales were US\$ 1,526 million recording a growth of 12% over same period last year. Sales for the quarter and the full year include the contribution from a significant business of generic supply to a customer, to be serviced over 6 months starting from Q4FY19.

At the same time, Taro posted Q4FY19 sales of US\$ 180 million, up 3% over Q4 last year. For the full year FY19, sales were US\$ 670 million, marginally up over full year FY18. Taro's net profit for Q4 was US\$ 58 million while for the full year FY19, it reported a net profit of US\$ 282 million.

Emerging Markets

Our sales in emerging markets were at US\$ 173 million for Q4; down 13% over same quarter last year and accounted for 17% of total sales. For the full year FY19, sales were US\$ 767 million, up by 2% over the full year last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 153 million in Q4FY19, a growth of 32% over Q4 last year and accounting for approximately 15% of revenues. Financials of Pola Pharma (Japan) have been consolidated with effect from Jan 1, 2019. For the full year FY19, sales were US\$ 494 million, up by 7% over full year last year.

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 Q4FY19, external sales of API were at Rs. 484 crores, up by 46% over Q4 last year. For the full year FY19, API sales were at Rs. 1,730 crores, up by 24% over full year last year.

Research – Investing for future

Consolidated R&D investment for Q4FY19 was Rs. 567 crores, or 8% of sales compared to Rs. 743 crores or 11% of sales for Q4 last year. For the full year FY19, R&D investment was Rs. 1,985 crores, or 7% of sales.

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We have a comprehensive product offering in the US market consisting of approved ANDAs for 453 products while filings for 118 ANDAs await US FDA approval, including 13 tentative approvals. For the quarter, 9 ANDAs were filed and 12 approvals were received. Additionally, the pipeline includes 51 approved NDAs while 8 NDAs await US FDA approval.

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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.

Earnings Call (06.30 pm IST, May 28, 2019)

The Company will host an earnings call at 06.30 pm IST on May 28, 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: 26605

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 fifth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business, economies of scale and an extremely skilled team enable us to deliver quality products in a timely manner at affordable prices. It provides high-quality, affordable medicines trusted by customers and patients in over 100 countries across the world. Sun Pharma's global presence is supported by 44 manufacturing facilities spread across 6 continents, R&D centres across the globe and a multi-cultural workforce comprising over 50 nationalities. In India, the company enjoys leadership across 10 different classes of doctors with 30 brands featuring amongst top 300 pharmaceutical brands in India. Its footprint across emerging markets covers over 100 markets and 6 markets in Western Europe. Its Global Consumer Healthcare business is ranked amongst Top 10 across 3 global markets. Its API business footprint is strengthened through 14 world class API manufacturing facilities across the globe. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities comprising about 2,000 scientists and R&D investments of approximately 7% of annual revenues. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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