

FOR IMMEDIATE RELEASE

Sun Pharma reports Q1FY19 results

Gross Sales at Rs.7,139 crores up 16%
Adjusted Net Profit at Rs.983 crores up 87%

Mumbai, August 14, 2018: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the first quarter ending June 30th, 2018.

Highlights of Q1FY19 consolidated financials

- Sales / Income from operations at Rs. 7,139 crores, growth of 16% over same quarter last year.
- India sales at Rs. 2,152 crores, growth of 22% over Q1 last year.
- US finished dosage sales at US\$ 380 million up by 8% over Q1 last year.
- Emerging Markets sales at US\$ 195 million up by 16% over Q1 last year.
- Rest of World sales at US\$ 107 million, de-growth of 7% over Q1 last year.
- R&D investments of Rs. 500 crores, at 7% of sales.
- Received the Establishment Inspection Report (EIR) from the US FDA for the Halol facility in June-2018
- EBITDA at Rs. 1,521 crores, resulting EBITDA margin of 21.3%.
- Net profit for the quarter at Rs. 983 crores, resulting net margin of 13.8%. Net profit for the same quarter last year was adversely impacted by settlement with certain plaintiffs related to the Modafinil antitrust litigation in the US, with the settlement amounting to Rs 951 crores. Excluding the impact of this settlement, adjusted net profit was up by 87% over Q1 last year.

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, "For Q1, we have recorded good growth in all the major markets. We are gradually crossing key milestones in our specialty initiatives with the recent commercialization of Yonsa in the US and targeted launch of Ilumya and Cequa in the coming quarters. We are also awaiting approvals from US FDA for two specialty products, Xelpros and Elepsia, filed from Halol. With all these specialty launches lined-up, a substantial portion of our current specialty pipeline will be on market. We are creating a deep pipeline of specialty products, however, during the year these launches will result in significant upfront investments. We continue to evaluate opportunities in the specialty segment to further enhance this business."

India Business – Market Leadership

Sale of branded formulations in India for Q1FY19 was Rs. 2,152 crores, up 22% and accounting for 30% of total sales. Sales for Q1 last year were impacted by the implementation of GST in India.

Sun Pharma is ranked No. 1 and holds approximately 8.3% market share in the over Rs. 122,000 crore Indian pharmaceutical market as per June-2018 AIOCD-AWACS report. As per latest SMSRC report, Sun Pharma is ranked no. 1 based on share of prescriptions with 13 classes of doctors. For Q1Y19, the company launched 16 new products in the Indian market.

US Formulations

Sales in the US were US\$ 380 million for the quarter, a growth of 8% over same period last year and accounted for 36% of total sales. At the same time, Taro posted Q1 FY19 sales of US\$ 155 million, a 4% decline over Q1 last year. Taro's net profit for Q1 was US\$ 67 million, up by 23% over Q1 last year.

Emerging Markets

Sales in emerging markets were at US\$ 195 million for Q1; a growth of 16% compared to the same quarter last year and accounted for 18% of total sales.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 107 million in Q1FY19, a decline of 7% from Q1 last year and accounting for approximately 10% of revenues.

Active Pharmaceutical Ingredients (API): Strategic strength

Our API business imparts benefits of vertical integration for our formulations business. For Q1FY19, external sales of API were at Rs. 394 crores, up 28% over Q1 last year.

Research – Investing for future

Consolidated R&D investments for Q1FY19 was Rs. 500 crores, or 7.0% of sales compared to Rs. 522 crores or 8.5% of sales for Q1 last year.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 428 products while filings for 135 ANDAs await approval, including 15 tentative approvals. For the quarter, 3 ANDAs were filed and 6 approvals were received. The portfolio also includes 39 approved NDAs/BLAs while 3 NDAs await US FDA approval.

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Earnings Call (06.30 pm IST, August 14, 2018)

The Company will host an earnings call at 06.30 pm IST on August 14, 2018, 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, Conference ID: 33475
+91 22 6663 5757, Conference ID: 33475

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 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 150 countries across the world. Sun Pharma's global presence is supported by 41 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 13 different classes of doctors with 31 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 8% of annual revenues. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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