



# Creating Lasting Value

Investor Presentation – August 2019



NSE:SUNPHARMA | BSE:524715 |  
Bloomberg:SUNP IN | Reuters:SUN.BO

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# Sun Pharma at a glance



4<sup>th</sup> Largest Global Specialty Generic Company \*

US	<ul style="list-style-type: none"><li>• Ranked 8<sup>th</sup> in US<sup>##</sup> / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Amongst the largest Indian Pharma Company in Emerging Markets</li></ul>
Rest of World	<ul style="list-style-type: none"><li>• Expanding presence in Rest of World</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 44 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 100 countries across branded and generic markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>
Employees	<ul style="list-style-type: none"><li>• 32,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA</li></ul>
R&D and Manufacturing	<ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul>
Addressable Segments	<ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>

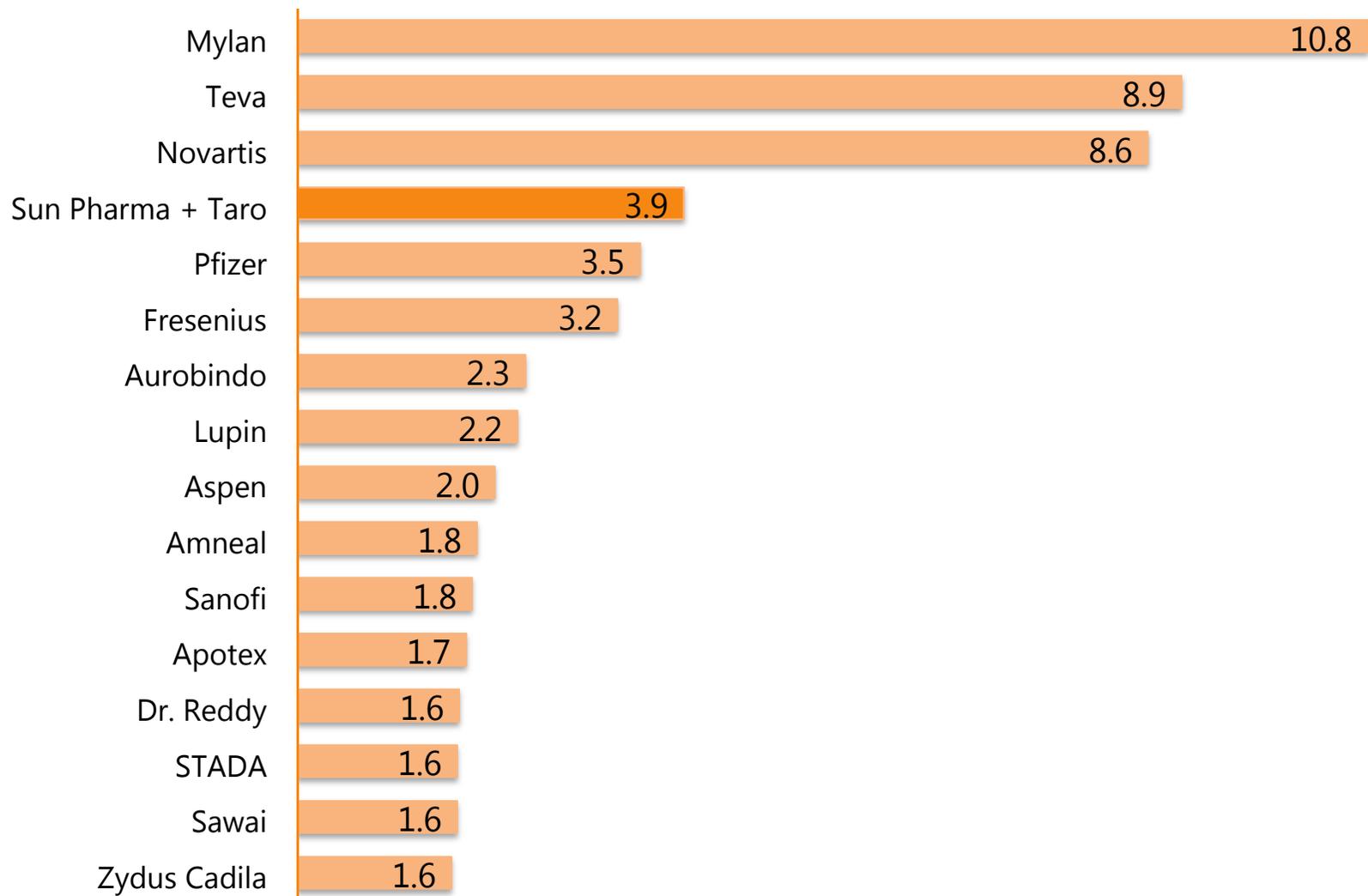
\*Source: Evaluate Pharma Estimates for 12 months ended Dec 2018

## Source: IQVIA data for 12 months ended April 2019

# World's 4th Largest Specialty Generic Pharma Co



2018 Worldwide Generic Sales (US\$ in billions)



Source: Evaluate Pharma Estimates for 12 months ended Dec 2018

# Sun Pharma today

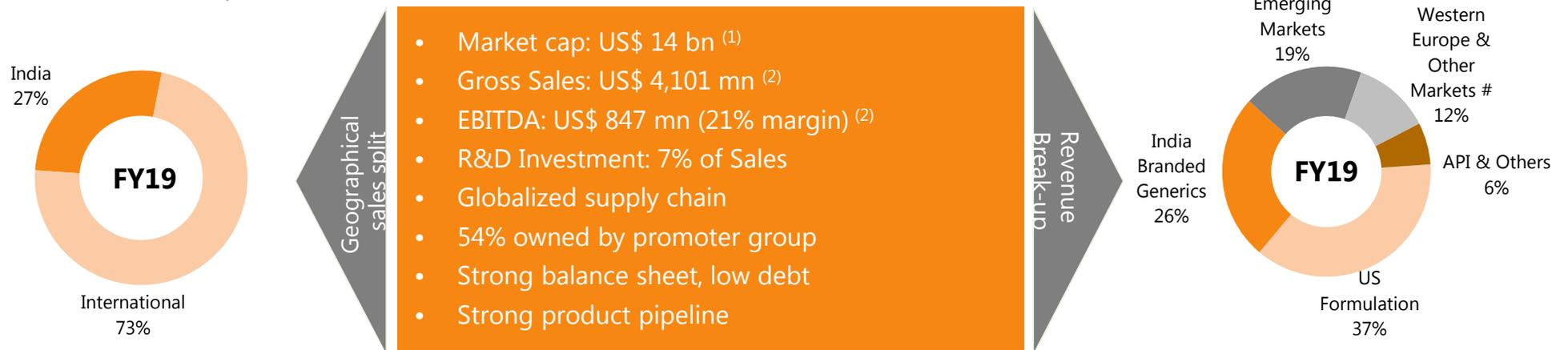


## US Formulations

- 8<sup>th</sup> largest generics company in US\* with a strong pipeline (108 ANDAs & 6 NDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 466 approved products
- FY19 sales: US\$ 1,526 mn <sup>(2)</sup>

## India Branded Generics

- No.1 ranked with 11 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY19 sales: US\$ 1,051 mn <sup>(2)</sup>



## Emerging Markets

- Presence in about 80 countries across Africa, Americas, Asia and Eastern & Central Europe
- Key focus markets – Brazil, Mexico, Russia, Romania, South Africa, and complementary & affiliated markets
- FY19 sales: US\$ 767 mn <sup>(2)</sup>

## Western Europe, Canada, Japan ANZ & others

- Presence across majority of markets in Western Europe, Canada, Japan and A&NZ
- Product portfolio includes differentiated offerings for hospitals, injectables and generics for retail market
- FY19 sales: US\$ 494 mn <sup>(2)</sup>

Note:

(1) As of August, 14, 2019 using spot exchange rate of INR /USD = 71.09

(2) Using average exchange rate for FY19 of INR /USD = 69.95

# Includes Western Europe, Canada, Australia & New Zealand, Japan and other markets.

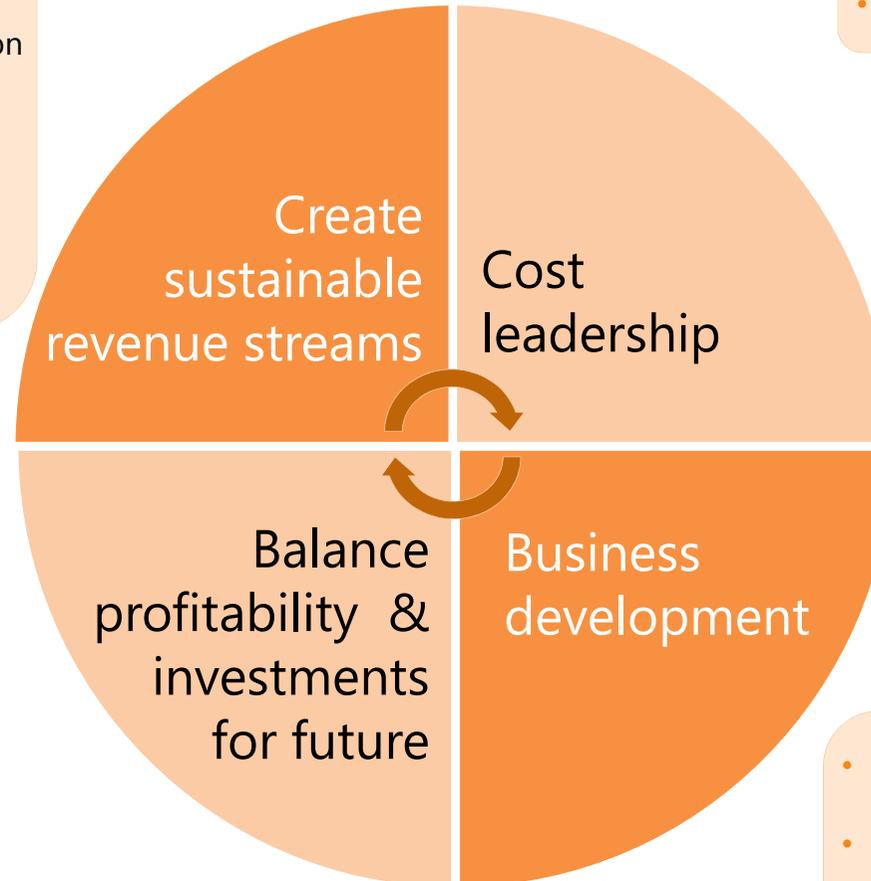
All sales numbers in US\$ for 12 months ended March 31, 2019.

\* Source: IQVIA data for 12 months ended April 2019

# Driving Long Term Growth

- Enhance share of specialty business globally
- Achieve differentiation by focusing on technically complex products
- Focus on key markets – achieve critical mass
- Speed to market
- Ensure sustained compliance with global regulatory standards

- Optimize operational costs
- Vertically integrated operations



- Increasing contribution of specialty and complex products
- Future investments directed towards differentiated products

- Use acquisitions to bridge critical capability gaps
- Focus on access to products, technology, market presence
- Ensure acquisitions yield high return on Investment
- Focus on payback timelines

# Our Specialty Portfolio



## Ilumya/ Ilumetri

- Indication - For plaque psoriasis
- Launched in US in October 2018
- Phased launch in Europe by Almirall starting December 2018 onwards
- Launched in Australia in December 2018
- Evaluating new indications for Ilumya - Late-breaking phase 2 data shows potential to improve joint & skin symptoms of Psoriatic Arthritis
- Regulatory filling in Japan in August 2019
- Out licensed to CMS for Greater China market in June 2019

## Cequa

- Indication - For dry eye disease
- NDA approved in US. Launch preparations are ongoing
- Out licensed to CMS for Greater China market in June 2019

## Absorica

- Indication - For the treatment of severe recalcitrant nodular acne
- Currently marketed in US

## Levulan Kerastick

- Indication – In combination with BLU-U Blue Light Photodynamic Therapy Illuminator for treatment of minimally to moderately thick actinic keratoses of the face, scalp, or upper extremities.
- Currently marketed in US for actinic keratosis

# Our Specialty Portfolio



## Odomzo

- Indication - For LABCC (locally advanced basal cell carcinoma)
- Currently marketed in US, Germany, France, Denmark, Switzerland, Australia and Israel

## Yonsa

- Indication - For metastatic castration resistant prostate cancer in combination with methylprednisolone
- Launched in US in May 2018

## Bromsite

- Indication - For prevention of ocular pain & treatment of inflammation following cataract surgery
- Launched in US in November 2016

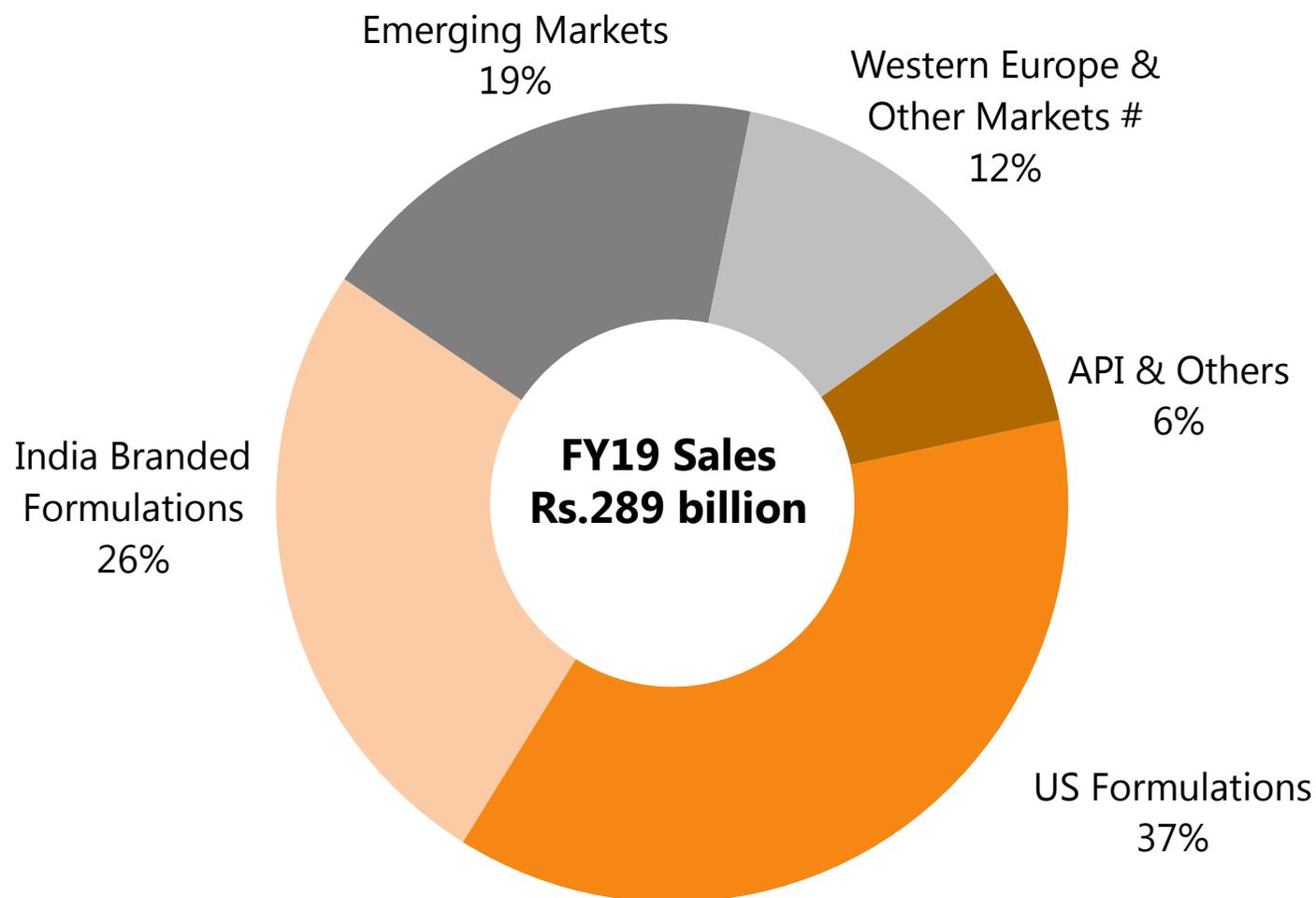
## Xelpros

- Indication - For reduction of elevated IOP in patients with open-angle glaucoma or ocular hypertension
- BAK (Benzalkonium chloride) free form of latanoprost
- Launched In US in January 2019

## Infugem/ InfuSMART

- Gemcitabine (chemotherapy product) in pre-mixed ready to use bags
- Launched in US in April 2019
- Launched in Europe in July 2016

# Highly Diversified Revenue Base

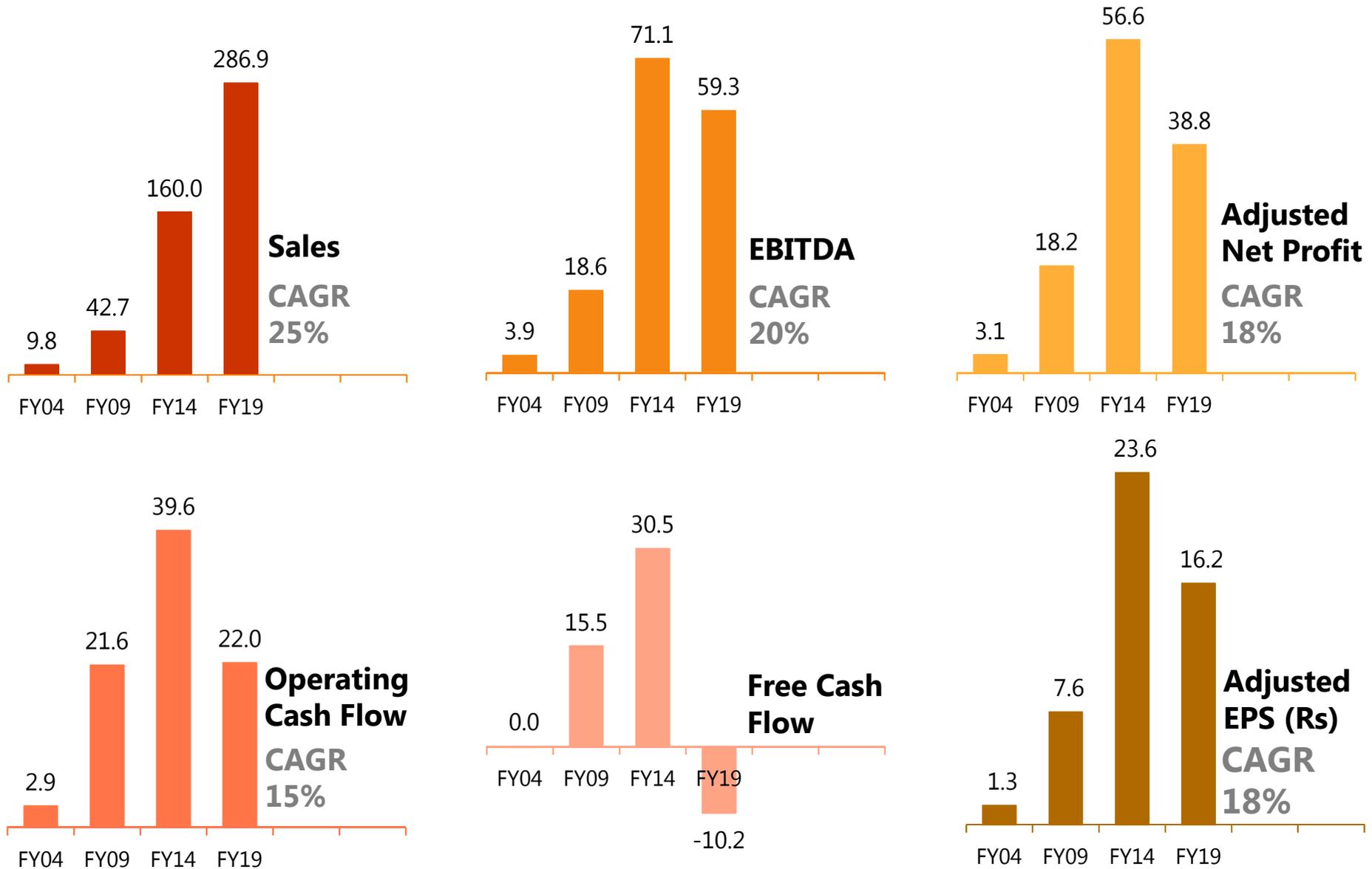


# Includes Western Europe, Canada, Japan , Australia, New Zealand and other markets.

# Impressive Track Record of Growth



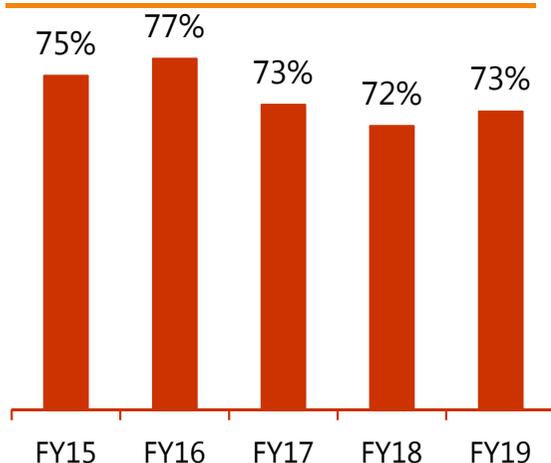
(All Figures in INR Billion)



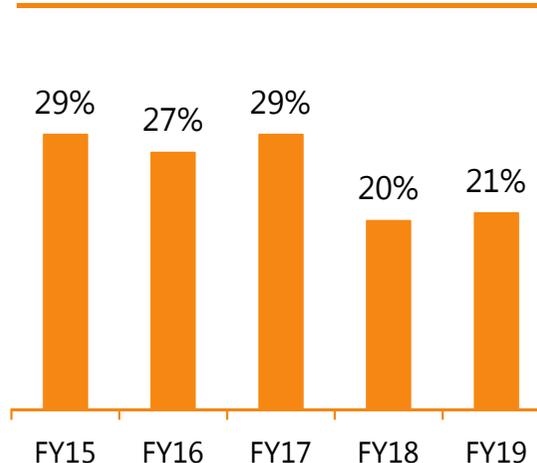
# Consistent profitability and returns



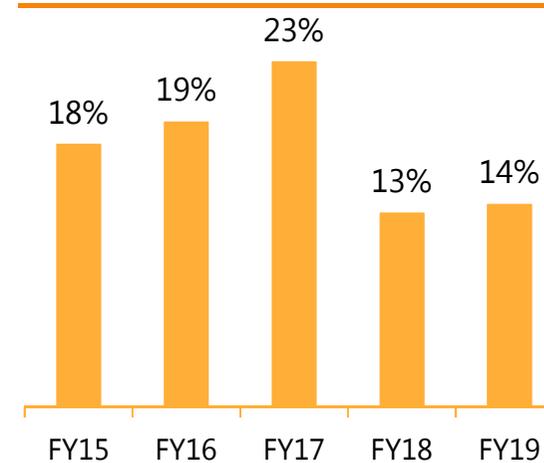
### Gross Margin #



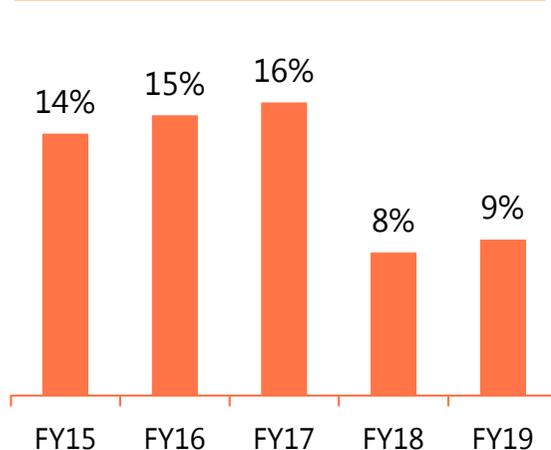
### EBITDA Margin



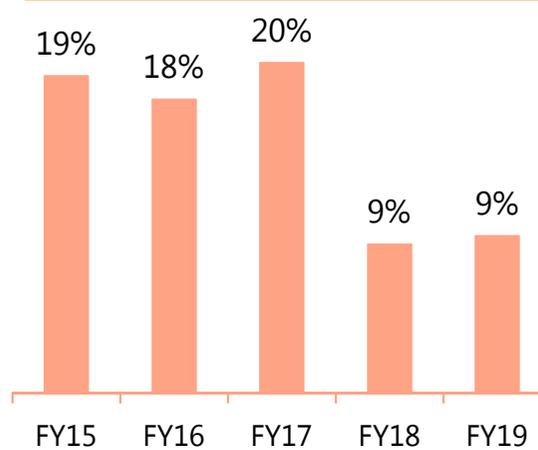
### Net Margin (adjusted)



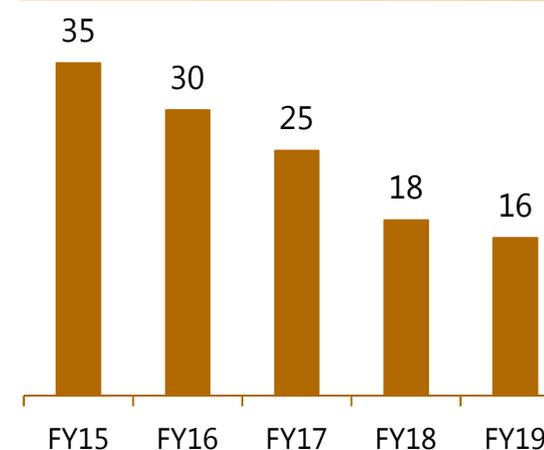
### ROCE



### ROE



### Market Cap (USD Bn)



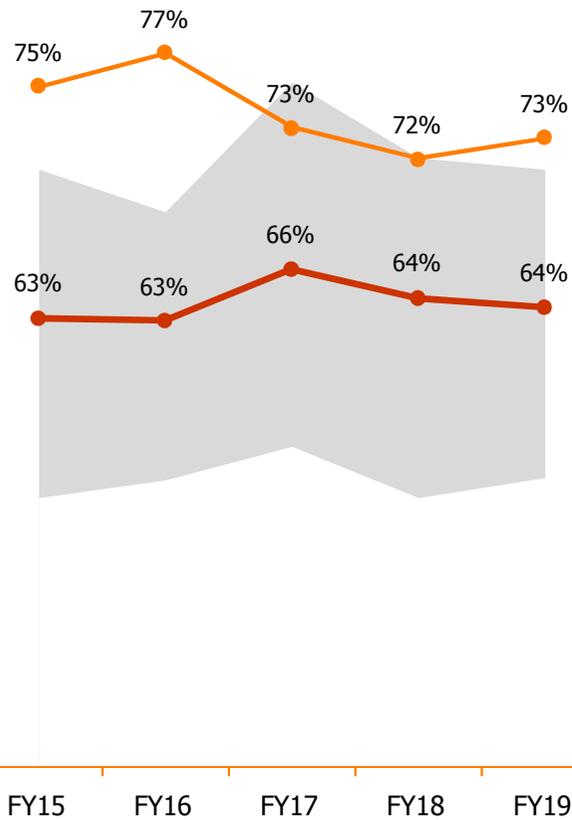
# Gross margin= (Net Sales- Material Cost)/ Net Sales \* 100  
ROCE & ROE exclude one-time exceptional charges

(Market Cap as on 31st March)

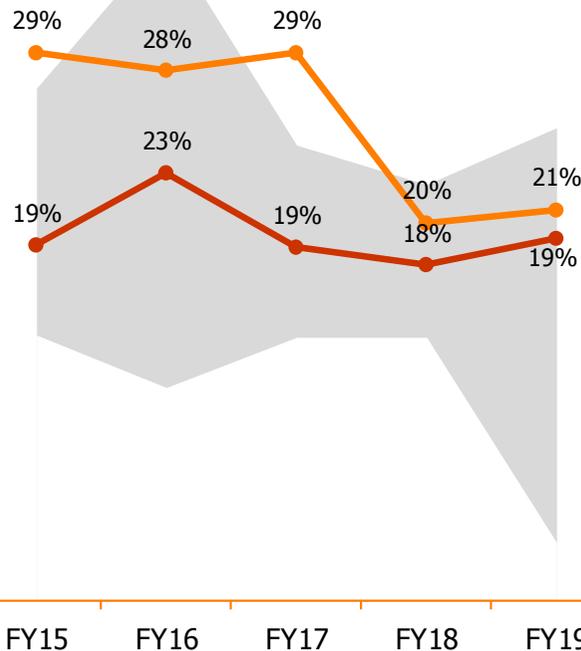
# Profitability



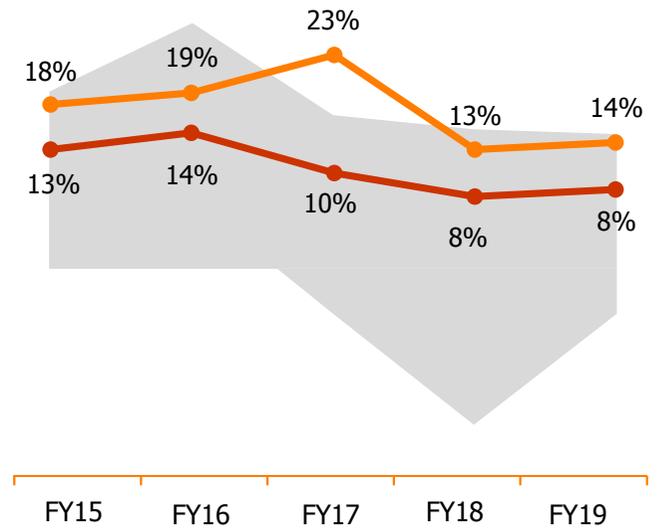
## Gross Margin



## EBITDA Margin



## Net Margin

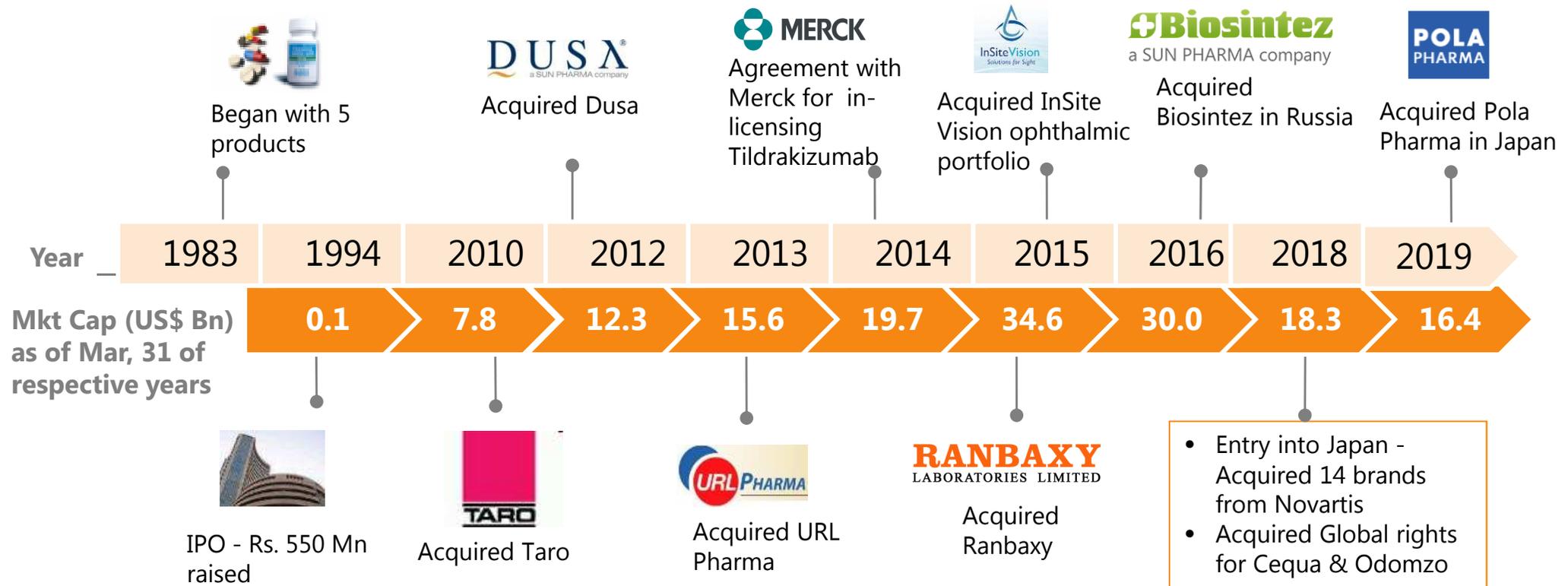


Gross margin =  $(\text{Net Sales} - \text{Material Cost}) / \text{Net Sales} * 100$

● Sun Pharma 
  Range of Top 9 Indian Pharma Cos. 
 ● Average

#Top 9 Indian Pharma company include Aurobindo, Cadila Healthcare, Cipla, DRL, Glenmark, Ipca, Lupin, Torrent and Wockhardt.

# Creating Value, Continuously...



## Sun Pharma Today



32,000+ Employees



Invested over Rs.150 Bn in R&D till date



Part of NSE Nifty & BSE Sensex in India



44 Manufacturing facilities in 6 Continents



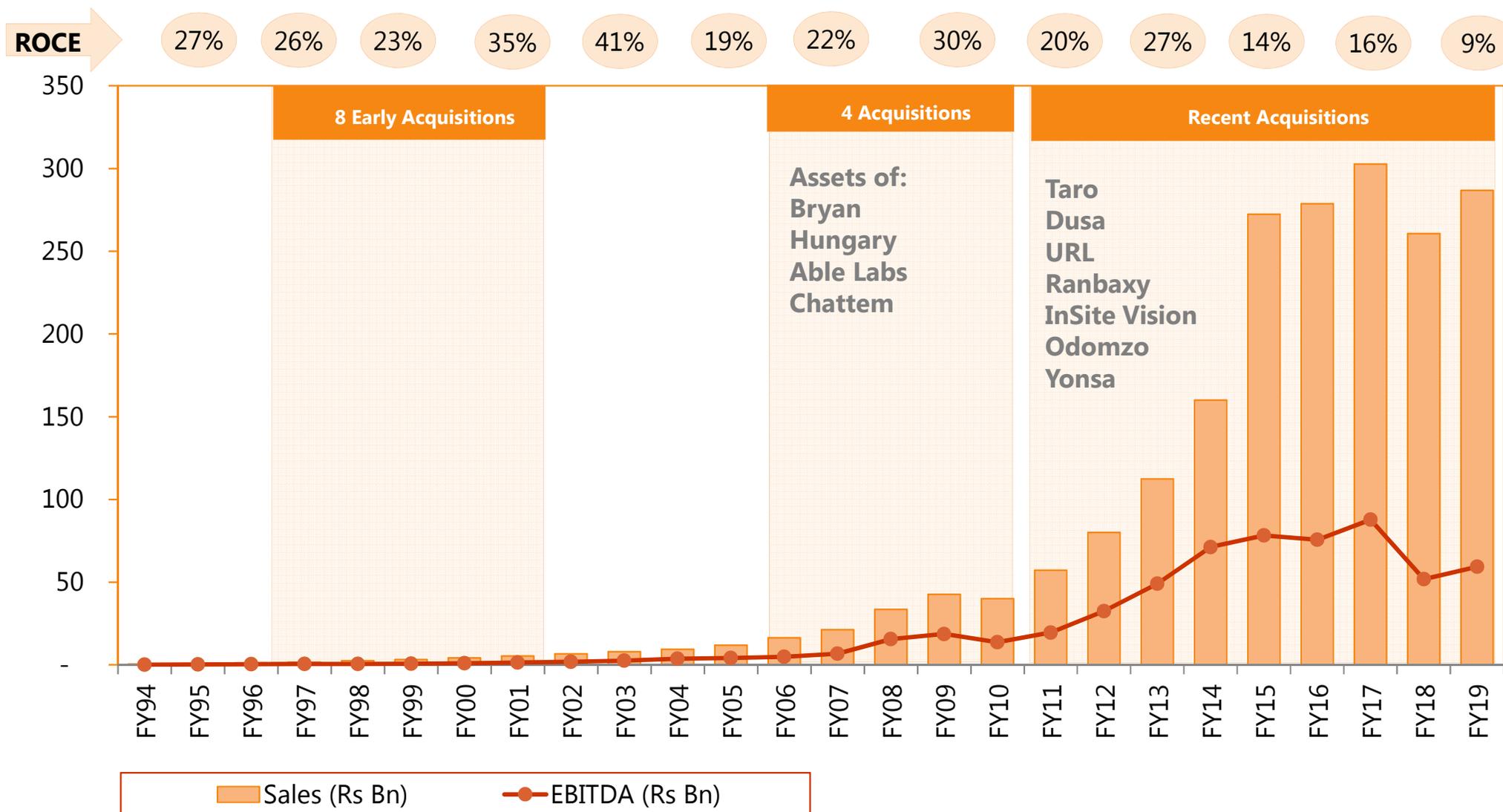
73% of sales from international markets

# Key Deals & Rationale

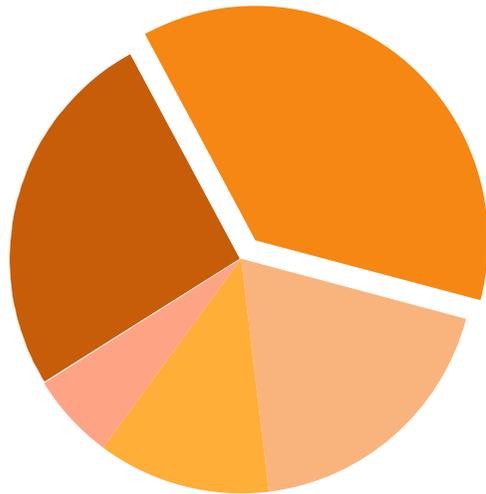


Year	Deals	Country	Rationale
2019	Licensing agreement with CMS for Tildrakizumab & Cequa	Greater China	Access to Greater China market for Tildrakizumab & Cequa
2018	Acquired Pola Pharma in Japan	Japan	Access to Japanese dermatology market.
2016	Acquired global rights for Cequa & Odomzo	Global	Enhances specialty pipeline.
2016	Acquired Biosintez	Russia	Local manufacturing capability to enhance presence in Russian market
2016	Licensing agreement with Almirall for Tildrakizumab for Psoriasis	Europe	Access to European market for Tildrakizumab
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2016	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand "Oxra" & "Oxramet"® (brands of dapagliflozin, used for diabetes treatment)
2015	Acquired InSite Vision Inc.	US	Strengthens branded ophthalmic portfolio in U.S.
2015	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand "Axcer"® (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma – Ranbaxy Merger	Global Markets	Strengthen position as the 5 <sup>th</sup> largest Global Specialty Generic Pharma Company, No.1 Pharma Company in India & Strong positioning in Emerging Markets
2014	In-licensing agreement with Merck for Tildrakizumab a biologic for psoriasis	Global Markets	Strengthening the specialty product pipeline
2014	Acquired Pharmalucence	US	Access to sterile injectable capacity in the US
2012	Acquired DUSA Pharma, Inc.	US	Access to specialty drug-device combination in dermatology segment
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Access to dermatology generic portfolio Manufacturing facilities at Israel & Canada
1997	Acquired Caraco	Detroit, US	Entry into US Market

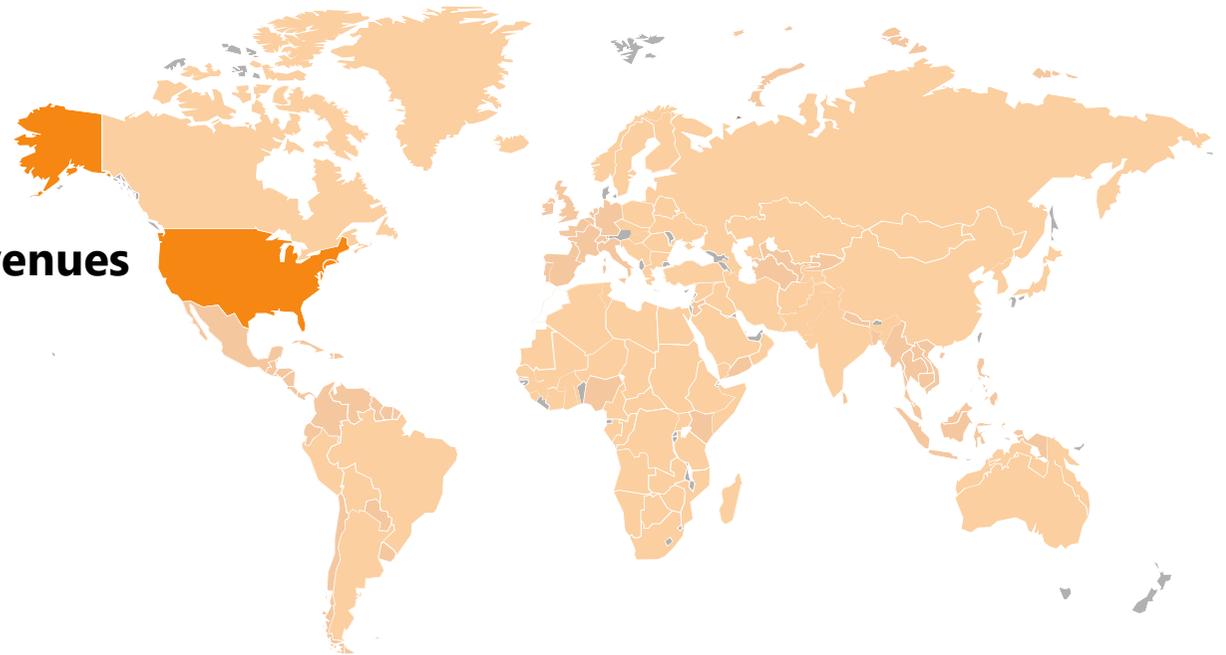
# Successful track record of turning around acquisitions



# US Business



**37% of Revenues**



# US Business at a glance

8<sup>th</sup> Largest Pharma Company in the US Generics Market \*

## Dermatology Segment

- Largest generic dermatology company and amongst top 5 branded dermatology company in the US

## Comprehensive Portfolio

- Wide basket of 574 ANDAs & 58 NDAs filed and 466 ANDAs & 52 NDAs approved across multiple therapies

## Robust Pipeline

- 108 ANDAs & 6 NDAs pending with FDA

## Market Presence

- Presence in generics, branded & OTC segments

## Flexible Manufacturing

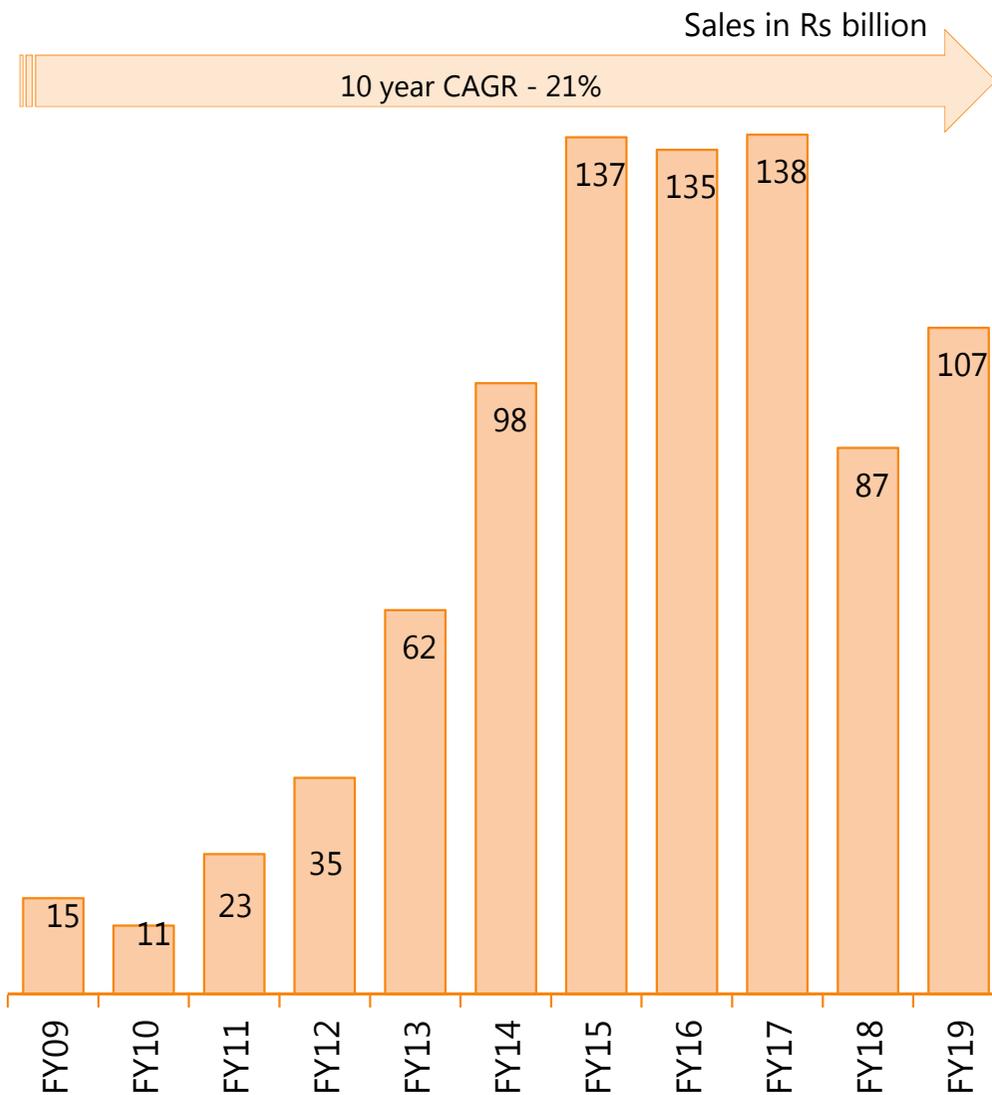
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

- Liquids, Creams, Ointments, Gels, Sprays, Injectable, Tablets, Capsules, Drug-Device combination

\* Source: IQVIA data for 12 months ended April 2019

# US Business - Significant Ramp-up in Sales



## Key Milestones in US

FY98

- Entry in US through Caraco acquisition

FY10

- Acquired Taro Pharma – Entry into US dermatology market

FY13

- Acquired DUSA - Entry in branded specialty market

FY16

- Acquired InSite Vision – Strengthen ophthalmic portfolio

FY17

- Tildrakizumab filing in US & Europe
- Acquired Ocular Technologies giving access to Cequa, a product for treating dry eyes.
- Launched BromSite in US
- Acquired Odomzo- branded oncology product from Novartis

FY18

- Launched Odomzo in US
- US FDA approval for Ilumya

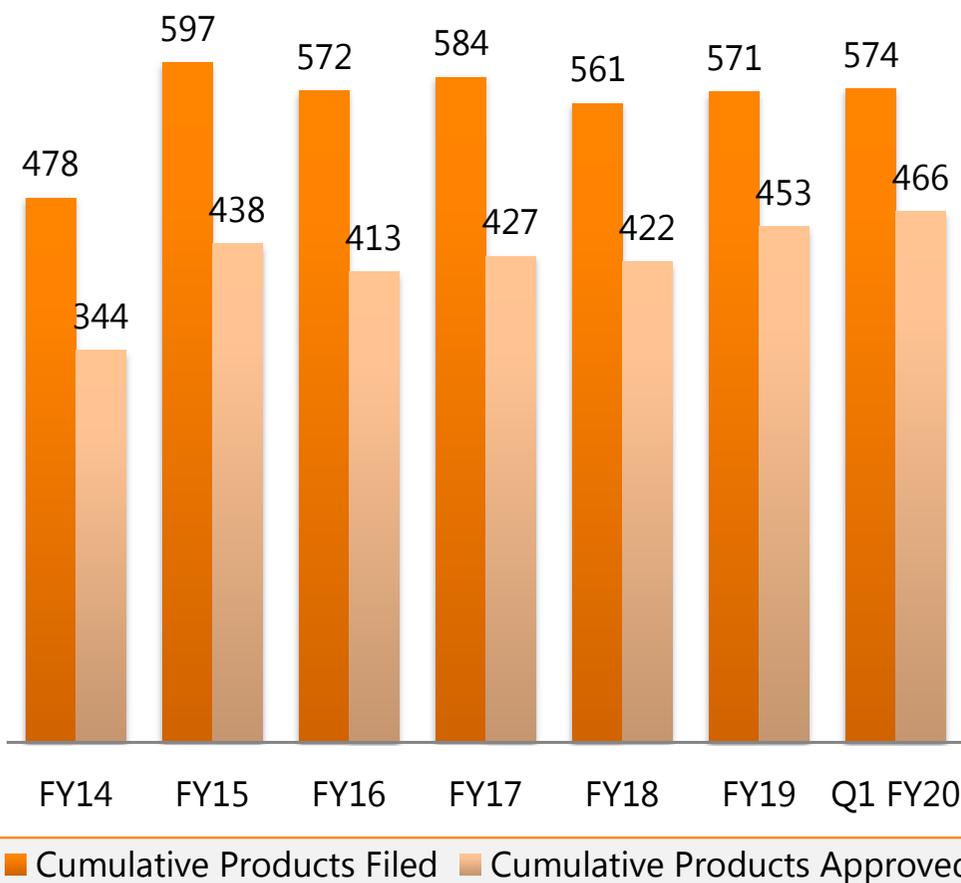
FY19

- Launched Ilumya & Yonsa in US
- Received USFDA approval for Cequa
- Launched Xelpros in US
- Launched Ready-to-Infuse INFUGEM™

# ANDA Pipeline - Significant ramp up

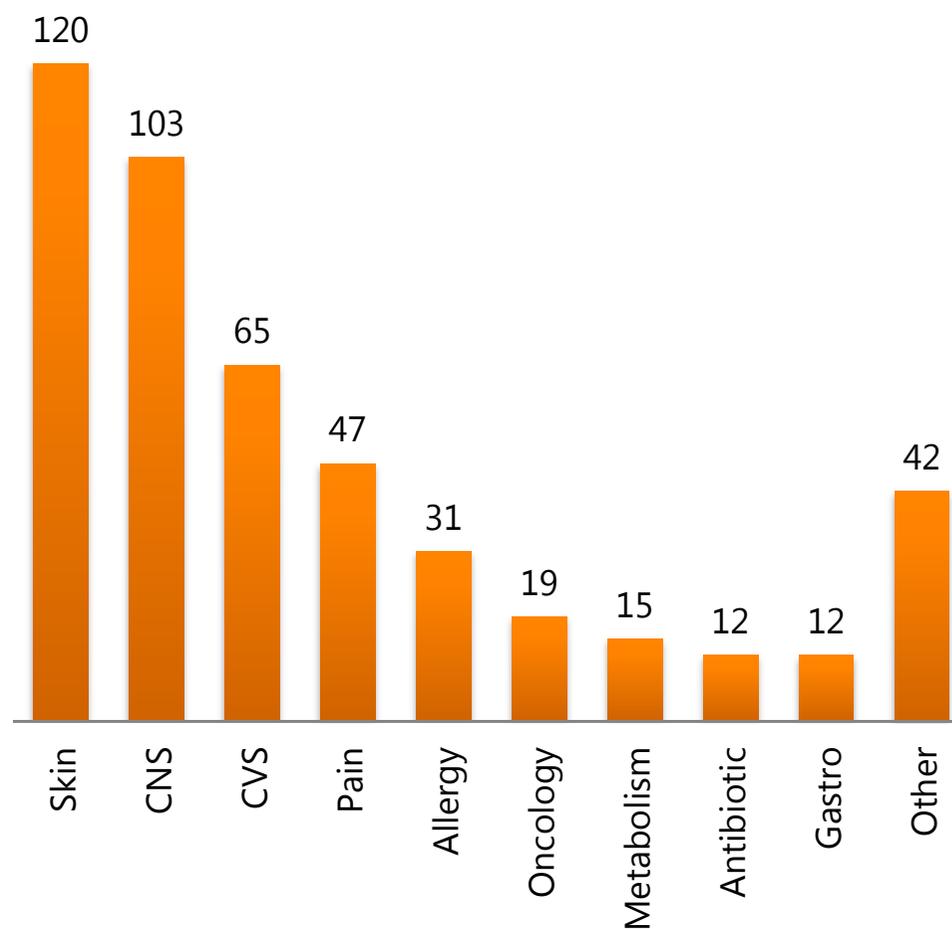


## ANDAs Filed and Approved (Cumulative)



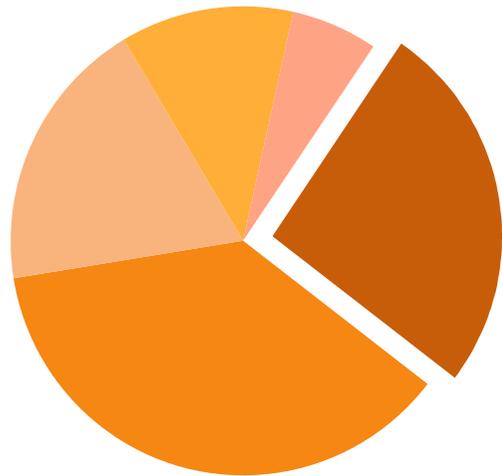
(Cumulative no's for FY16 are lower than FY15 due to Bryan facility divestment. Ranbaxy numbers added for March'15)

## ANDA Approvals by Therapeutic Area



(As of June'19)

# India Branded Generic Business



**26% of Revenues**



# India Business at a glance



## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.2% market share

### Prescription Ranking###

- No. 1 ranked by prescriptions with 11 different classes of doctors

### Chronic Segment

- Market leader in the chronic segment

### Acute Segment

- Strong positioning in the acute segment

### Product Offering

- Specializes in technically complex products and offers a complete therapy basket

### Strong Brand Positioning\*\*

- 30 brands in the country's top 300 pharmaceutical brands

### De-risked Growth\*\*

- Top 10 Brands contribute approx. 18% of India revenues
- Growth driven by a basket of brands – low product concentration

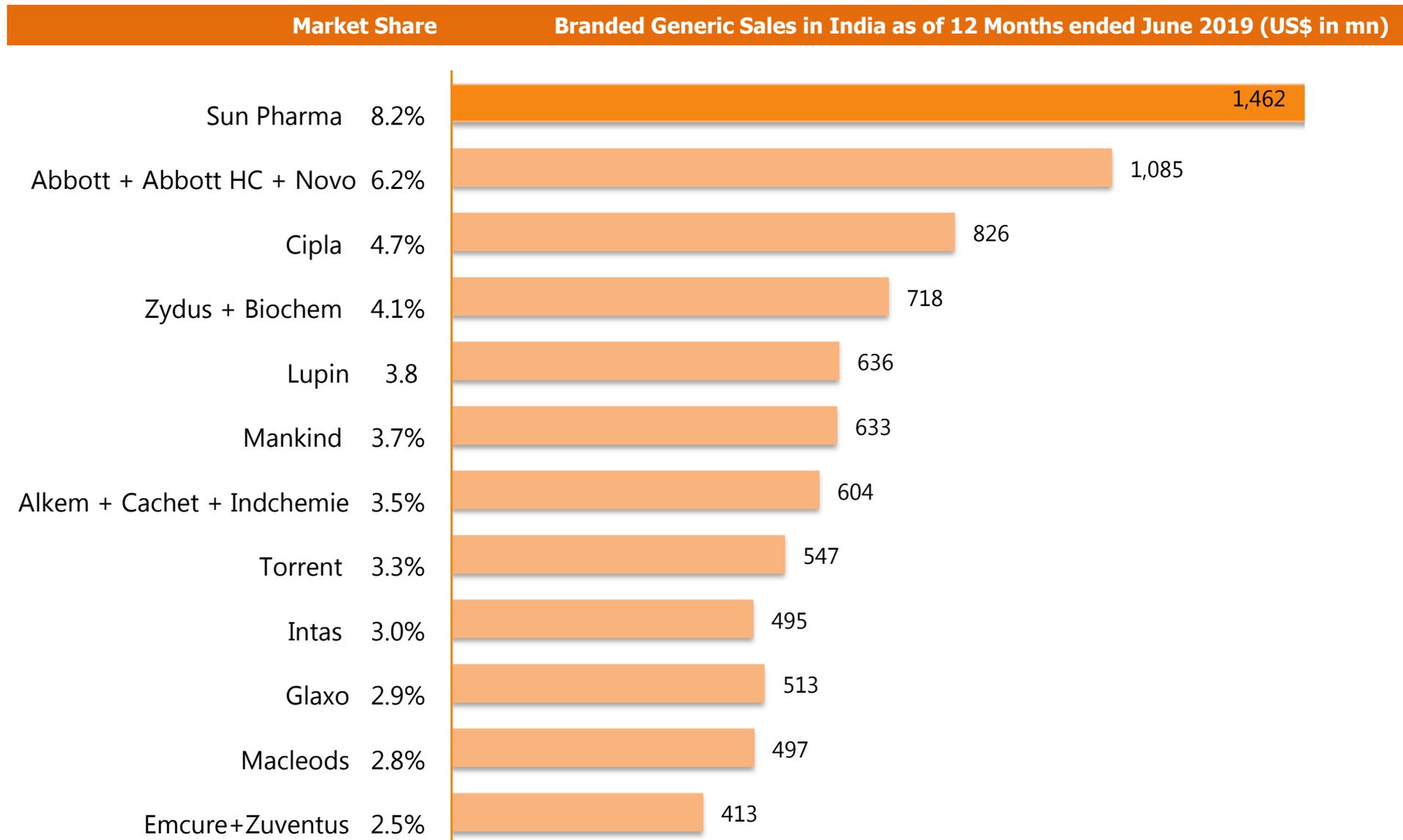
### Extensive Sales Force

- 9,200+ strong field force covering over 400,000 doctors

\*\* - As per AIOCD AWACS data for 12 months ended June'19

### - As per SMSRC data for June'19

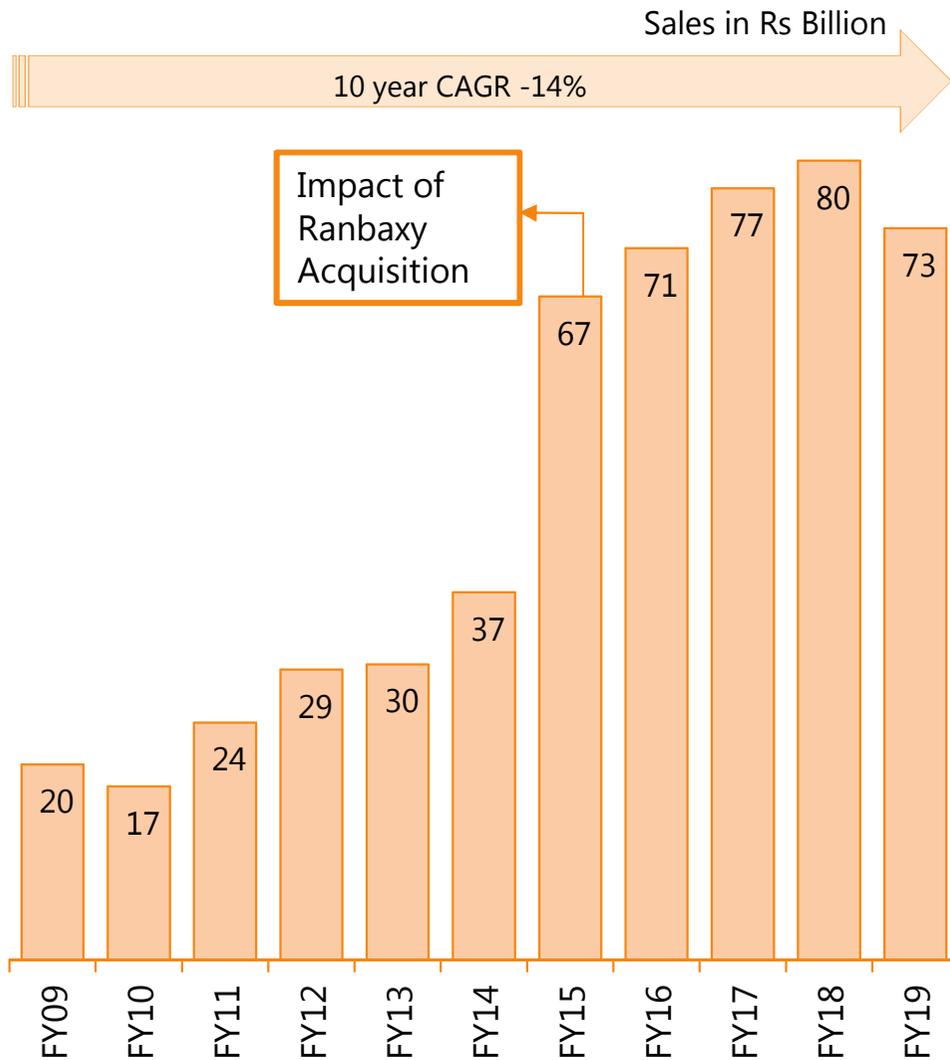
# Largest Pharma Company in India



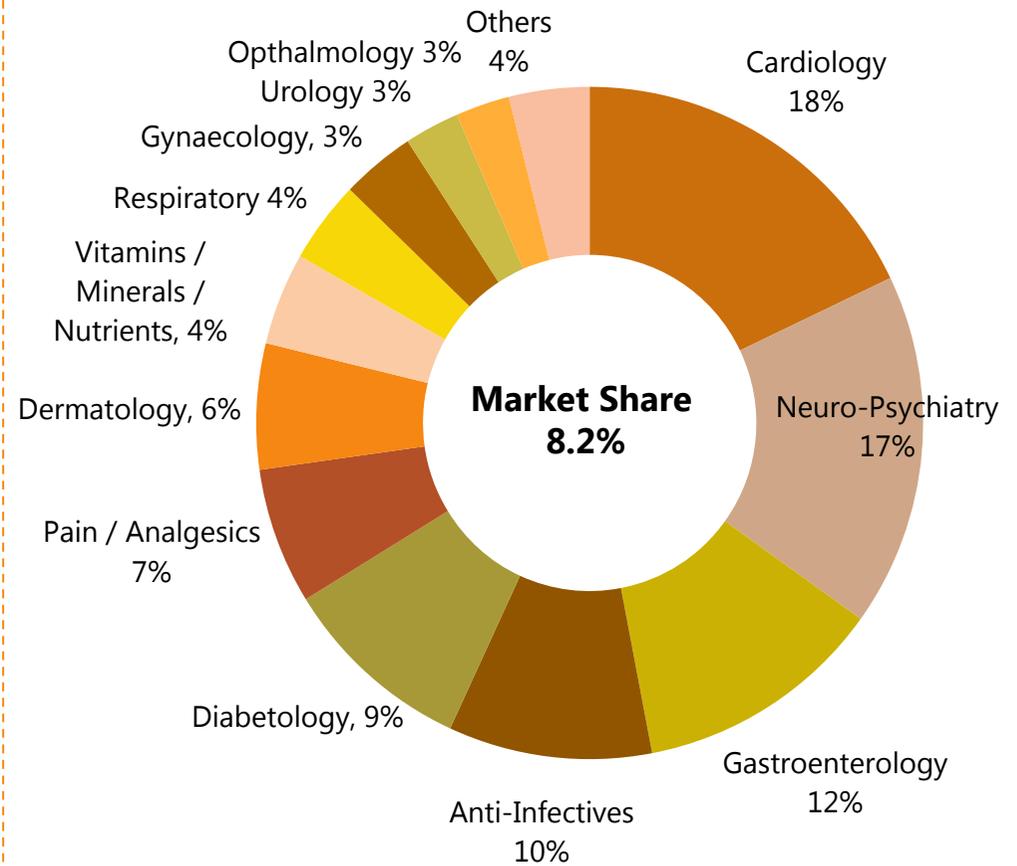
Source: AIOCD AWACS MAT June 2019 data converted at average of Rs. 69.56/US\$

# India Business – Sales ramp-up

Leadership in chronic segment; Strong positioning in acute segment  
30 brands in top 300 brands of country



## Therapeutic Revenue Break-up



As per AIOCD AWACS – June'19

# Leadership in key therapeutic areas\*

Number 1 Ranking with 11 Doctor Categories\*

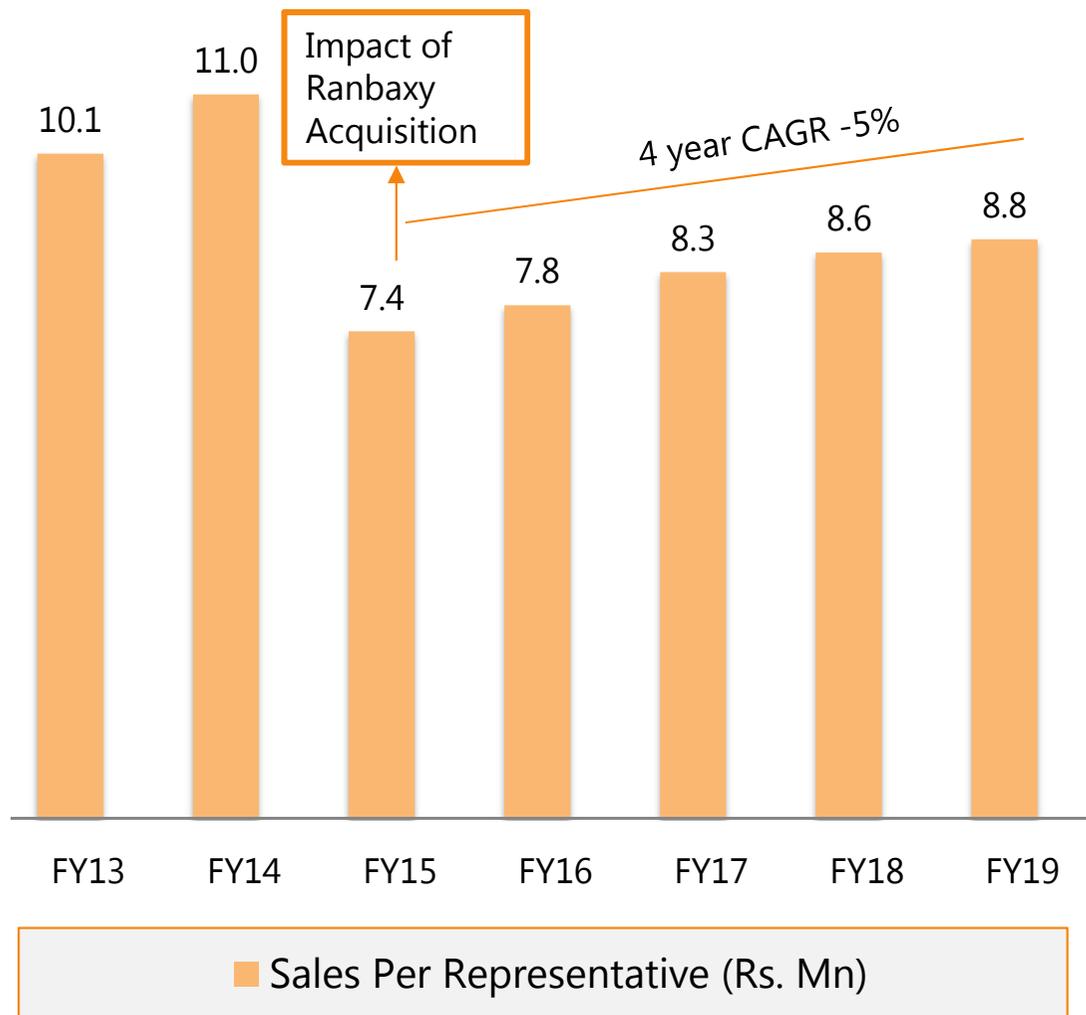
Specialist	Prescription Ranking				
	Feb '15	Feb '16	Feb '17	Feb '18	Feb '19
Psychiatrists	1	1	1	1	1
Neurologists	1	1	1	1	1
Cardiologists	1	1	1	1	1
Orthopaedic	1	1	1	1	1
Gastroenterologists	1	1	1	1	1
Nephrologists	1	1	1	1	1
Diabetologists	1	1	1	1	1
Ophthalmologists	1	1	2	1	1
Dermatologists	1	1	1	1	1
Urologists	1	1	1	1	1
Consulting Physicians	1	1	1	1	1
Oncologists	2	1	1	1	2
Chest Physicians	1	1	2	1	2

\*Ranks based on prescription share

Source-Strategic Marketing Solutions and Research Centre (SMSRC) Prescription Data

# Best-in-class field force productivity

## Sales Per Representative (Rs. Mn)



### Field Force Productivity

Sun  
Pharma

- Rs 8.8 Mn/ MR

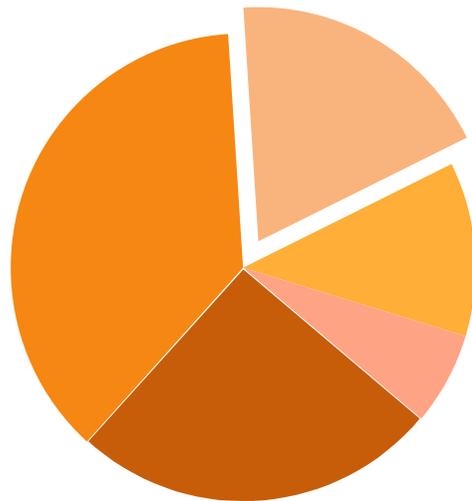
Industry  
Average\*

- Rs 5.2 Mn/ MR

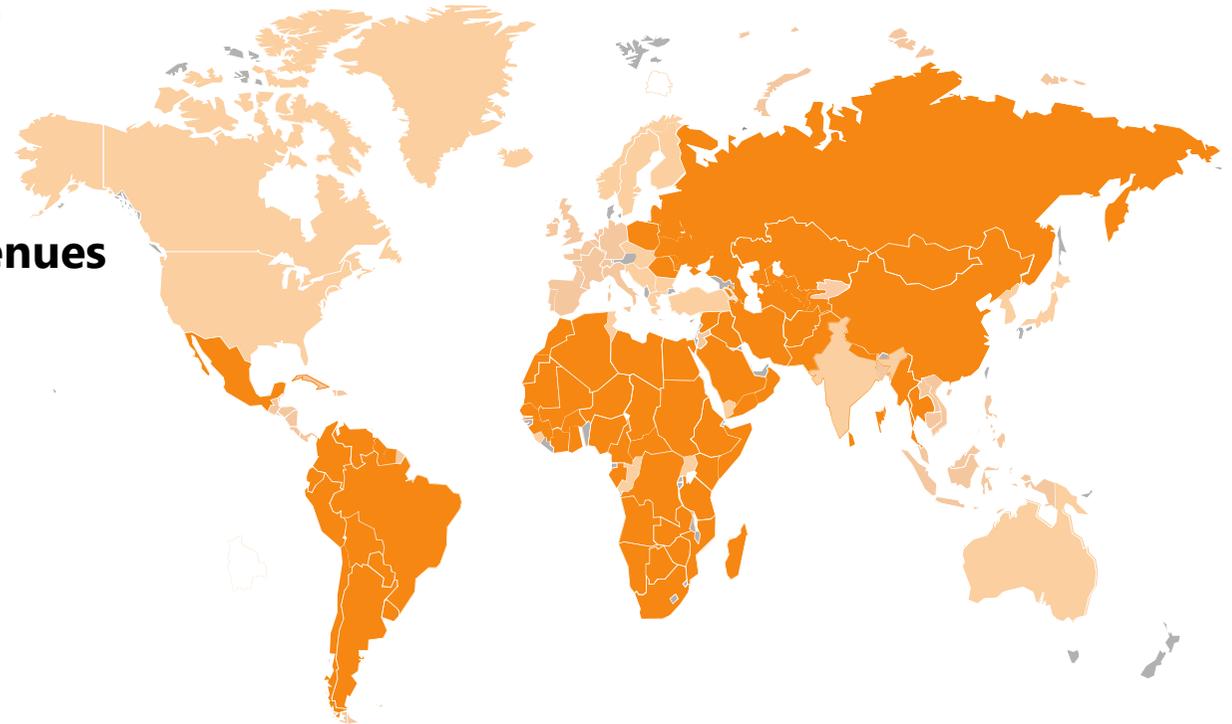
\* Approximation based on brokerage reports

- Well trained and scientifically oriented sales representatives team with strong performance track record
- Field force with highest productivity amongst key players in India

# Emerging Markets



**19% of Revenues**



# Emerging Markets Business at a glance



## Largest Indian Company in Emerging Markets

### Global footprint

- Presence in about 80 markets

### Focus Markets

- Brazil, Mexico, Russia, Romania, South Africa and complementary & affiliated markets

### Product Portfolio

- Extensive basket of branded products

### Customer Focus

- Strong relationships with doctors and medical practitioners

### Sales Force

- Approximately 2,300 Sales Representatives

### Opportunity

- To cross-sell products between Sun Pharma and Ranbaxy marketing infrastructure

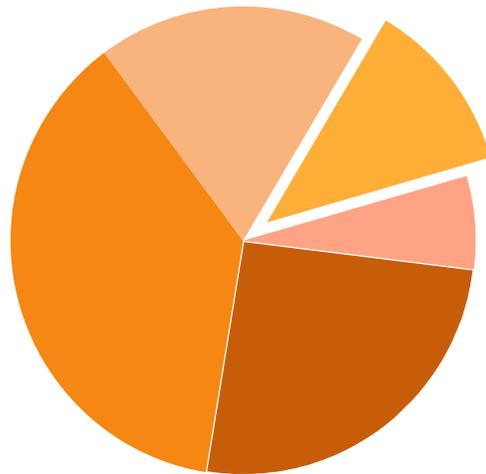
### Local Manufacturing

- Across 7 countries

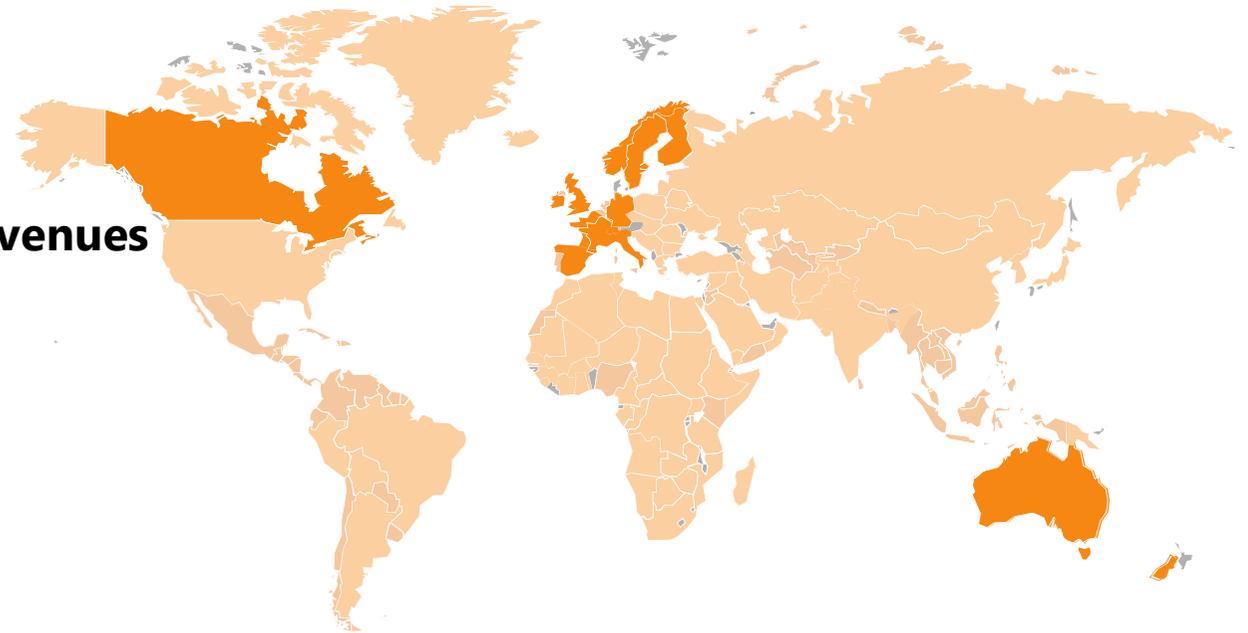
### Russia Acquisition

- Acquired Biosintez to enhance presence in Russian market in Nov' 16 – Gives access to local manufacturing facility.

# Western Europe, Canada, Japan, ANZ & Other Markets



**12% of Revenues**



# Western Europe & Other Markets at a glance



## Amongst the leading Indian Companies

### Market Presence

- Across all major markets in Western Europe, Canada, A&NZ, Japan and few other markets

### Product Portfolio

- Expanding basket of products including injectables and hospital products as well as products for retail market

### Focus

- Development and commercialization of complex generics and differentiated products to drive sustainable and profitable growth

### Sales Force

- Distribution led model

### Local Manufacturing

- At Canada, Japan, Australia, Israel and Hungary + Servicing from India facilities

### Japan Presence

- Acquired 14 established prescription brands from Novartis in March'16.
- Acquired Pola Pharma in Japan in Jan'19

# Global Consumer Healthcare Business



# Global Consumer Healthcare Business at a glance



## An Attractive Opportunity

India

- Amongst the top 10 consumer healthcare companies

Global Presence

- Operates in about 20+ countries

Focus Markets

- Romania, Russia, South Africa, Nigeria, Myanmar, Ukraine, Poland, Thailand, Belarus, Kazakhstan, Morocco and UAE

Strong Brand Equity

- Enjoy strong brand equity in 4 countries

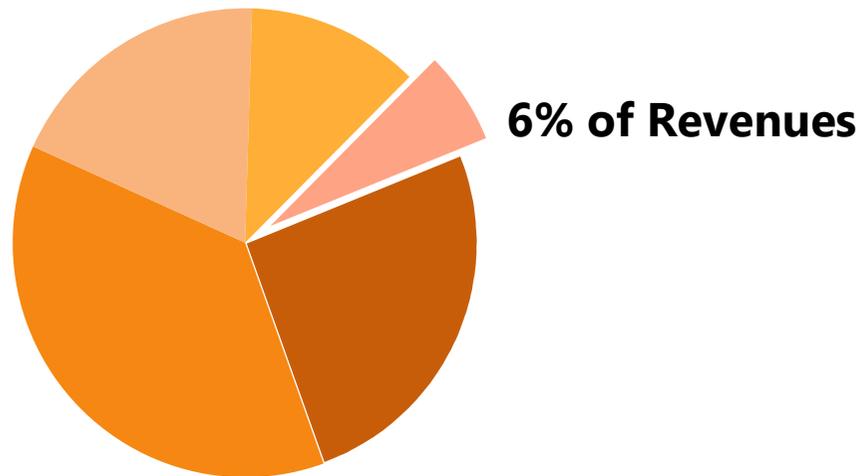
Sales Force

- Promoted through dedicated sales force in each market

Strong Positioning

- Amongst top 10 consumer healthcare companies in India, Romania, Nigeria & Myanmar

# Active Pharmaceutical Ingredients (API) Business



## Backward Integration – Strategic Importance

### Strategic Importance

- Backward integration provides cost competitiveness and supply reliability

### Customers

- Large generic and innovator companies

### Product Portfolio

- Approximately 300 APIs

### Pipeline Development

- Approx. 20 APIs scaled up annually

### Regulatory approvals

- 315 DMF/CEP approvals to date
- 414 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

# Research & Development



# Research & Development



Cumulative R&D Spend of over Rs 150 billion to date

## R&D Spend

- R&D spend at 7% of sales for FY19
- Strong cash flows & large scale to support R&D investments

## Capabilities

- Strong research teams in generics, finished dosage development, biological support, chemistry

## Organization

- Approx. 2,000 scientists globally with capabilities across dosage forms like orals, liquids, ointments, gels, sprays, injectable

## IPR Support

- Strong team of intellectual property experts supporting R&D

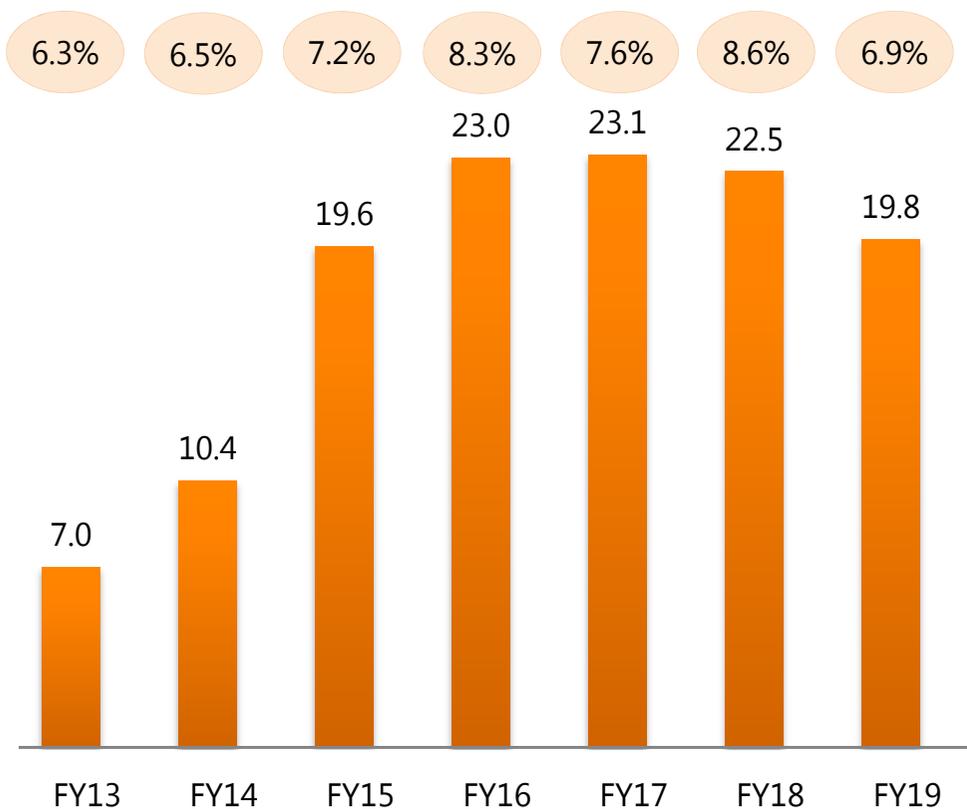
## Focus

- Developing non infringing formulations and development of specialty/complex products

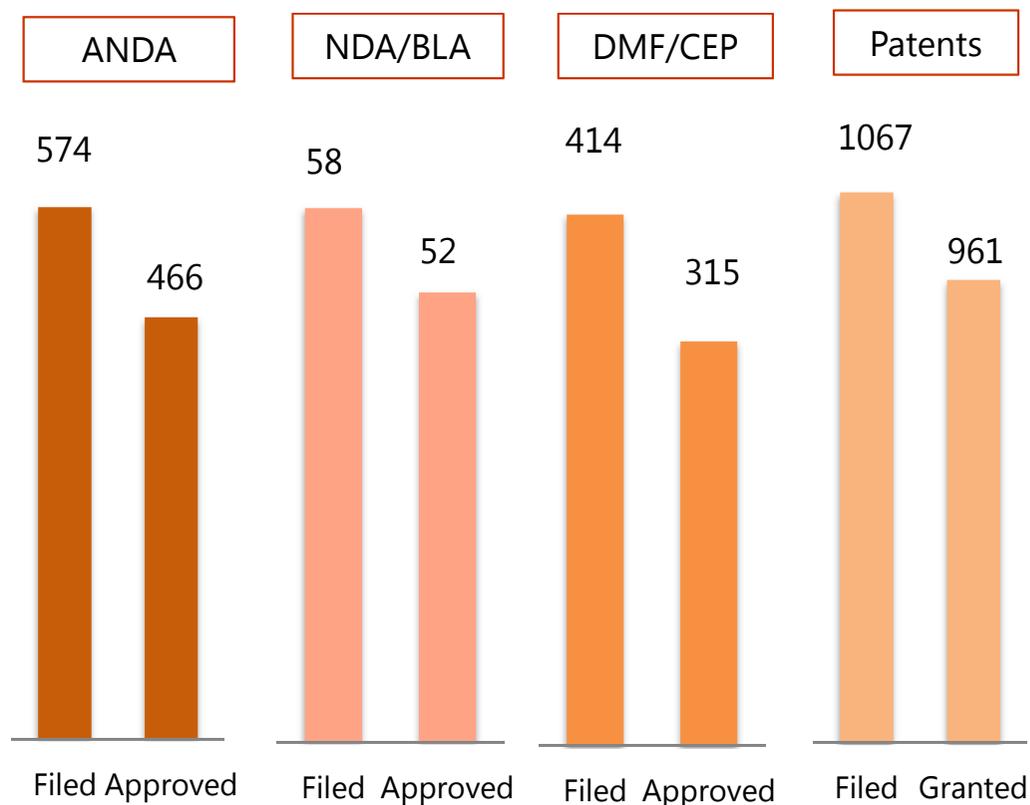
# R&D Investments



## R&D Investments



## Filings and Approvals



■ R&D Investments (Rs Bn) ■ R&D Investments (% of Sales)

As of June 30, 2019

# Global Manufacturing Presence



# Global Manufacturing Presence



## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 44 manufacturing facilities across India, the Americas, Asia, Africa, Australia and Europe

### Integrated Network

- Vertically integrated network across six continents enabling high quality, low cost and a quick market entry across the geographies

### Capabilities

- One of the few companies that has set up completely integrated manufacturing capability for the production of oncology, hormones, peptides, controlled substances and steroidal drugs

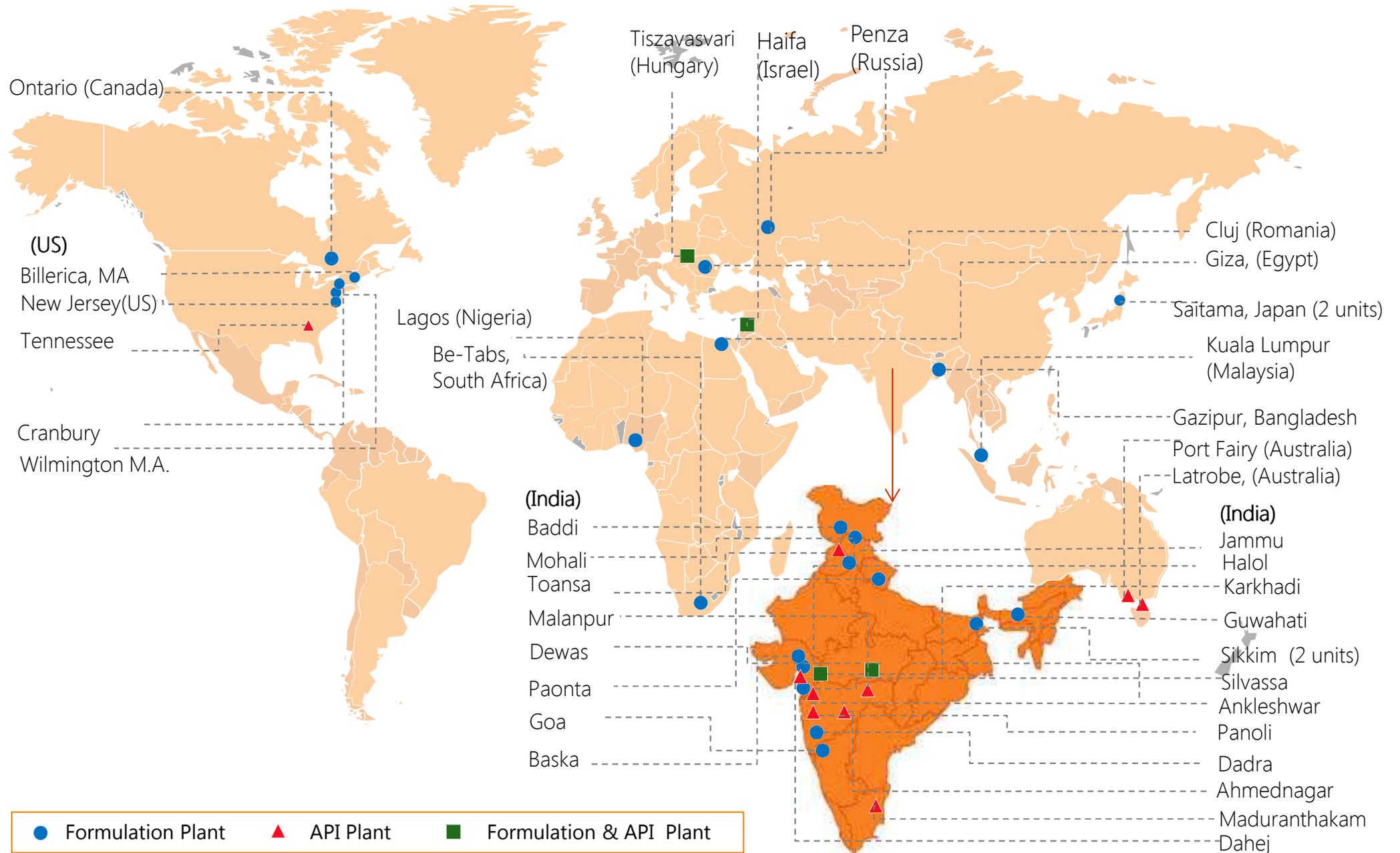
### High Quality

- High quality manufacturing facilities. Many of the plants have received approvals from US FDA, UK MHRA and various other regulatory authorities

### Dosage Forms

- Ability to manufacture a variety of dosage forms – Orals, Creams, Ointments, Injectables, Sprays, Liquids

# Global Manufacturing Footprint



# Finished Dosage Manufacturing



## 30 Finished dosage manufacturing sites

- India : 14, US : 4, Japan : 2
- Canada, Hungary , Israel, Bangladesh, South Africa, Malaysia, Romania, Egypt, Nigeria and Russia : 1 each
- Capacities available for a variety of finished dosages

### Orals

- Tablets / Capsules
- Semisolids
- Liquids
- Suppository

### Injectables / Sterile

- Vials
- Ampoules
- Pre-filled Syringes
- Gels
- Lyophilized Units
- Dry powder
- Eye drops
- MDI
- Aerosols

### Topicals

- Creams
- Ointments

# API Manufacturing

## 14 API manufacturing locations

- India : 9, Australia : 2, Israel : 1, US : 1, Hungary : 1

### Panoli & Ahmednagar (both India)

- International regulatory approvals: USFDA, European
- Stand alone units for peptides, anti-cancer, steroids, sex hormones

**API**  
Key Plants



### Australia, Hungary & Tennessee (US)

- Controlled substances manufacture

# Corporate Governance

Our philosophy on corporate governance envisages working towards high levels of transparency, accountability and consistent value systems across all facets of operations



## Chairman



### **Israel Makov**

Former President & CEO of Teva Pharma. Industries Ltd.

## Independent Director



### **Rekha Sethi**

Director General  
All India Management  
Association (AIMA)

## Independent Director



### **Vivek C. Sehgal**

Chairman, Samvardhana  
Motherson Group &  
Motherson Sumi Systems  
Ltd.

## Independent Director



### **Gautam B. Doshi**

Professional with expertise  
in M&A, Taxation, Accounting  
& Corporate and Commercial  
Laws.

# Financials



# Financials



Market Capitalisation Rs. 1,000 billion / US\$ 14 billion

( All Figures in Rs. Mn )

	FY15	YoY	FY16	YoY	FY17	YoY	FY18	YoY	FY19**	YoY
<b>P&amp;L Summary</b>										
Sales	2,72,451	70%	2,78,881	2%	3,02,642	9%	2,60,659	-14%	2,86,863	10%
Gross Profit	2,05,059	55%	2,15,577	5%	2,21,335	3%	1,86,413	-16%	2,08,173	12%
EBITDA	77,208	9%	75,594	-2%	87,751	16%	51,846	-41%	59,280	14%
Net Profit	45,394	44%	45,457	0%	69,644	53%	20,957	-70%	26,654	27%
Net Profit (Adjusted)	47,771 <sup>#</sup>	-16%	52,309 <sup>#</sup>	9%	69,644	33%	33,006 <sup>#</sup>	-53%	38,798 <sup>#</sup>	18%
R&D Spend	19,550	88%	23,025	18%	23,138	0%	22,489	-3%	19,847	-12%
<b>BS Summary</b>										
	Mar'15	YoY	Mar'16	YoY	Mar'17	YoY	Mar'18	YoY	Mar'19	YoY
Shareholders Funds	2,80,415	51%	3,29,825	18%	3,66,397	11%	3,83,141	5%	4,14,091	8%
Loan Funds	75,724	204%	83,164	10%	80,910	-3%	97,518	21%	98,934	1%
Net Fixed Assets	96,848	66%	1,24,130	28%	1,49,404	20%	1,57,110	5%	1,72,919	10%
Investments	35,028	26%	18,298	-48%	11,919	-35%	71,430	499%	79,030	11%
Cash and Bank Balances	1,09,771	45%	1,31,817	20%	1,51,408	15%	99,290	-34%	72,760	-27%
Inventory	56,669	81%	64,225	13%	68,328	6%	68,810	1%	78,860	15%
Sundry Debtors	50,928	131%	67,757	33%	72,026	6%	78,150	9%	88,840	14%
Sundry Creditors	32,430	144%	35,830	10%	43,954	23%	47,660	8%	41,480	-13%

#

FY15 -Adjusted for Rs 2.4 bn for settlement provision for Texas Medicaid Program litigation

FY16 -Adjusted for Rs 6.9 bn of exceptional items related to Ranbaxy integration

FY18 -Adjusted for Rs 12.1 bn provision related to Modafinil settlement & deferred tax adjustment

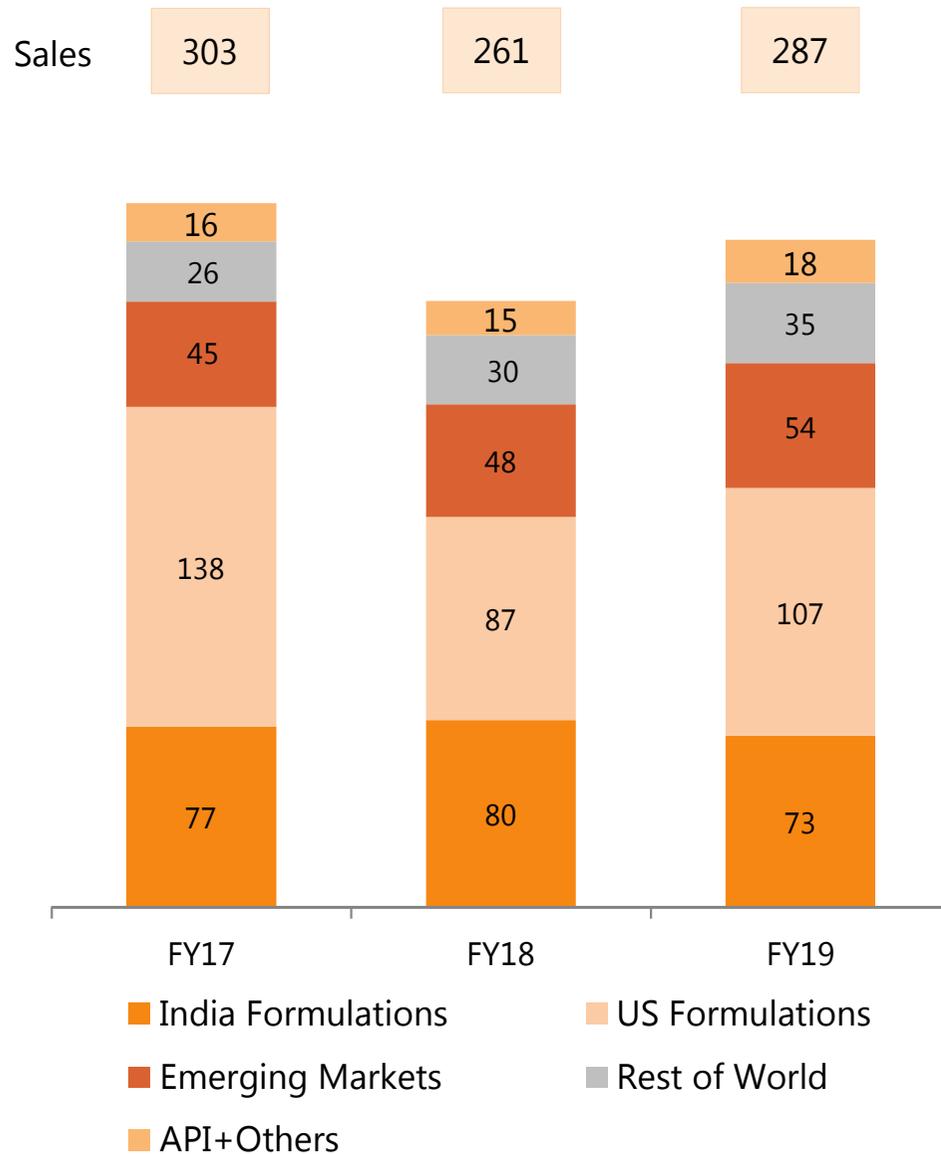
FY19 -Adjusted for Rs 12 bn provision related to Modafinil settlement

\*\*FY19 – Includes a one-time sales reduction of Rs 10,850mn related to change in distribution for India business

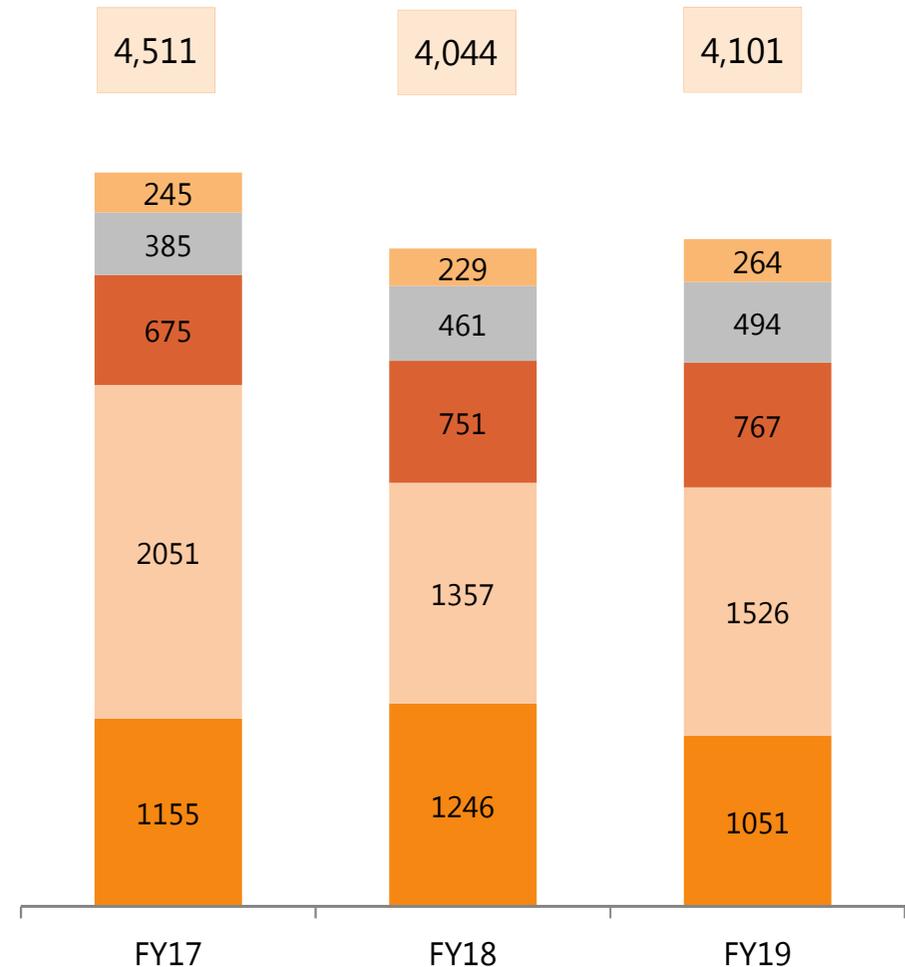
# Sales Break-up



## In INR Billion



## In USD Million



#Exchange Rate : US\$1 = Rs 67.07 (for FY17)  
 US\$1 = Rs 64.46 (for FY18)  
 US\$1 = Rs 69.95 (for FY19)

# EBITDA Trend



## In INR Billion

Sales

272

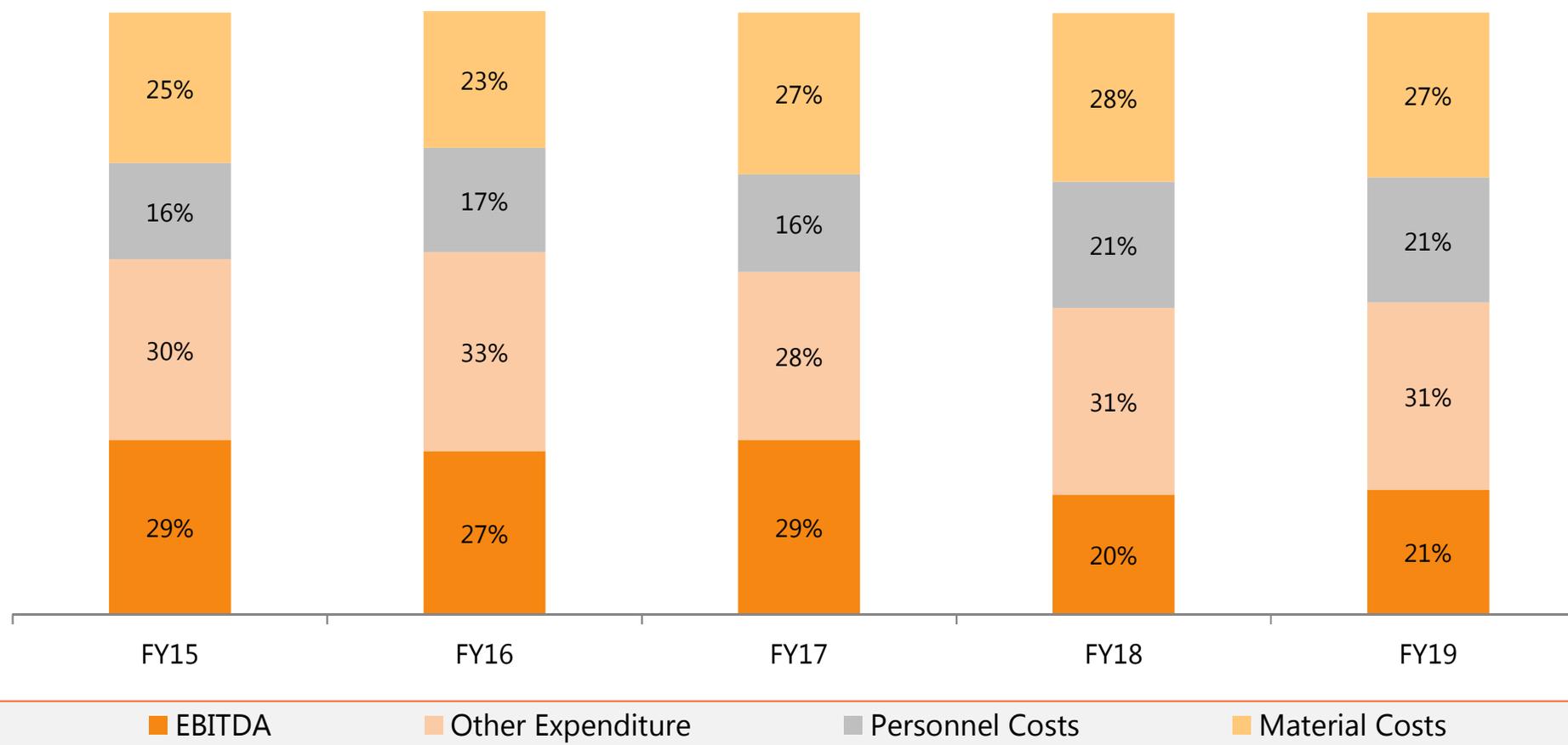
279

303

261

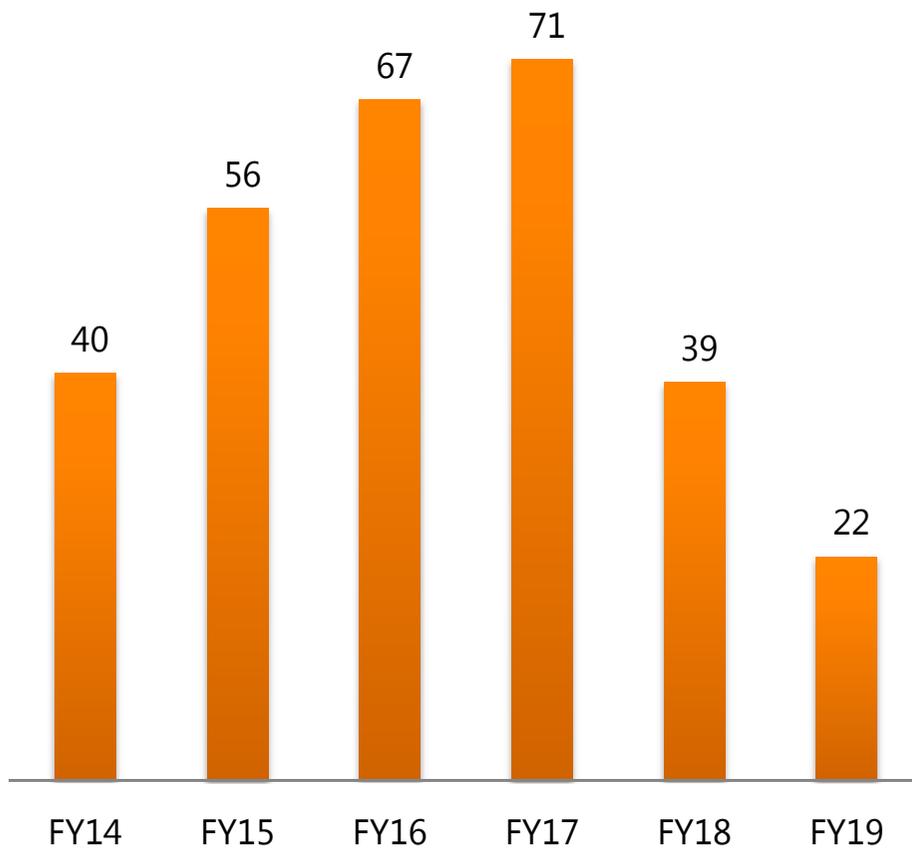
287

% of Sales

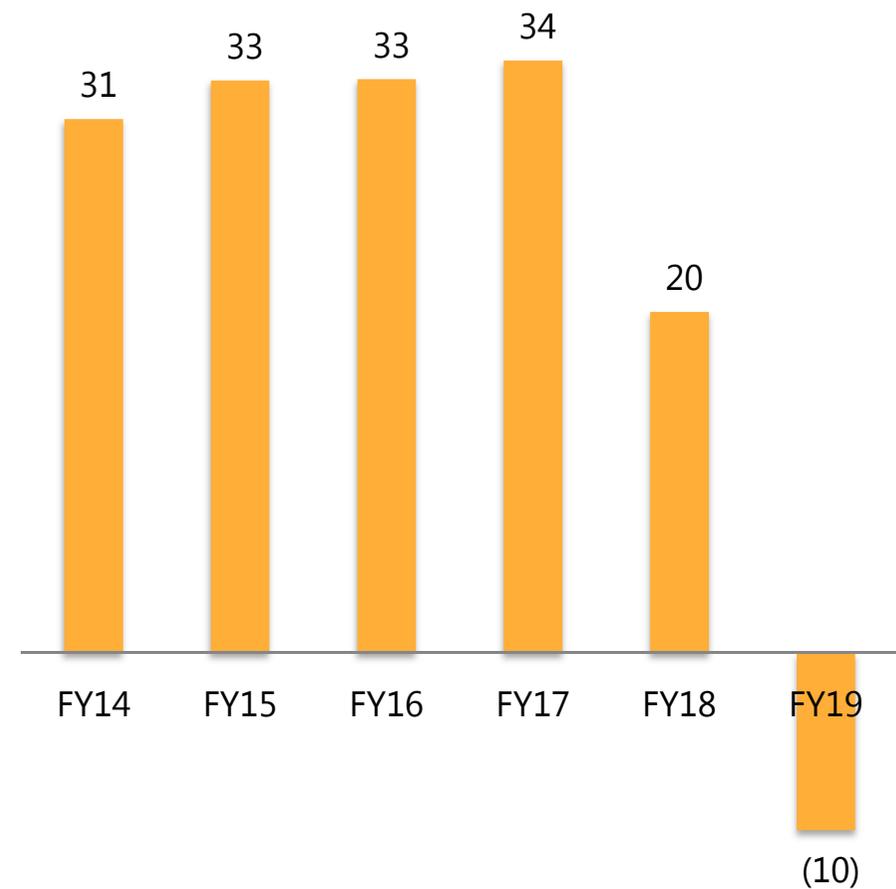


# Cash Flow

## Net Cash From Operating Activities (Rs Bn)



## Free Cash Flow (Rs Bn)



# Financial Ratios



	FY15	FY16	FY17	FY18	FY19 <sup>**</sup>
<b>Growth (%)</b>					
Sales	70.2	2.4	8.5	(13.9)	10.1
Gross Profit	55.1	5.1	2.7	(15.8)	11.7
EBITDA	8.5	(2.1)	16.1	(40.9)	14.3
Net Profit	44.5	0.1	53.2	(69.9)	27.2
Net Profit (Adjusted)	(15.6) <sup>#</sup>	9.5 <sup>#</sup>	33.1	(52.6) <sup>#</sup>	17.5 <sup>#</sup>
<b>Margins (%)</b>					
Gross Margin	75.3	77.3	73.1	71.5	72.6
EBITDA Margin (%)	28.3	27.1	29.0	19.9	20.7
Net Margin	16.7	16.3	23.0	8.0	9.3
Net Margin (Adjusted)	17.5 <sup>#</sup>	18.8 <sup>#</sup>	23.0	12.7 <sup>#</sup>	13.5 <sup>#</sup>
<b>Return (%)</b>					
ROCE	14.3	14.6	16.1	7.8	8.5
ROE	18.5	17.6	19.8	8.7	9.4
<b>Others</b>					
Debt / Equity	0.27	0.25	0.22	0.25	0.24
Fully Diluted EPS	18.9	18.9	28.9	8.7	11.1
Fully Diluted EPS (Adjusted)	19.9 <sup>#</sup>	21.7 <sup>#</sup>	28.9	13.8 <sup>#</sup>	16.2 <sup>#</sup>
<b>R&amp;D Spend % of Net Sales</b>					
Revenue	6.7	8.0	7.1	7.9	6.6
Capital	0.4	0.3	0.6	0.7	0.3

#

FY15 -Adjusted for Rs 2.4 bn for settlement provision for Texas Medicaid Program litigation

FY16 -Adjusted for Rs 6.9 bn of exceptional items related to Ranbaxy integration

FY18 -Adjusted for Rs 12.1 bn provision related to Modafinil settlement & deferred tax adjustment

FY19 -Adjusted for Rs 12 bn provision related to Modafinil settlement

\*\*FY19 – Includes a one-time sales reduction of Rs 10,850mn related to change in distribution for India business

# Key Financials Q1 FY20



( All Figures in Rs. Mn )

	Q1 FY20	Q1 FY19	CHANGE	FY19**	FY18	CHANGE
Gross Sales	82,593	71,388	15.7%	2,86,863	2,60,659	10.1%
Gross Profit	58,015	50,320	15.3%	2,08,173	1,86,413	11.7%
Gross Margin	70.2%	70.5%		72.6%	71.5%	
EBITDA	18,806	15,214	23.6%	59,280	51,846	14.3%
EBITDA Margin	22.8%	21.3%		20.7%	19.9%	
Net Profit	13,875	10,573	31.2%	26,654	20,957	27.2%
Net margin	16.8%	14.8%		9.3%	8.0%	
<b>Net Profit (Adjusted)</b>	<b>13,875</b>	<b>10,573</b>	<b>31.2%</b>	<b>38,798<sup>#</sup></b>	<b>33,006<sup>#</sup></b>	<b>17.5%</b>
Net margin (Adjusted)	16.8%	14.8%		13.5%	12.7%	
R&D	4,223	5,001	-15.6%	19,847	22,489	-11.7%
R&D as % of Net Sales	5.1%	7.0%		6.9%	8.6%	
EPS (Diluted) INR	5.8	4.4	31.2%	11.1	8.7	27.2%
EPS (Diluted) INR (Adjusted)	5.8	4.4	31.2%	16.2 <sup>#</sup>	13.8 <sup>#</sup>	17.5%

<sup>#</sup> : Adjusted Rs 2.58 bn for FY18 provision on account of re-measurement of deferred tax assets.

<sup>#</sup> : Adjusted Rs 9.5 bn for FY18 & Rs 12.1 bn for FY19 provision related to Modafinil settlement in US.

\*\* FY19 – Includes a one-time sales reduction of Rs 10,850mn related to change in distribution for India business

# Sales Breakup Q1 FY20

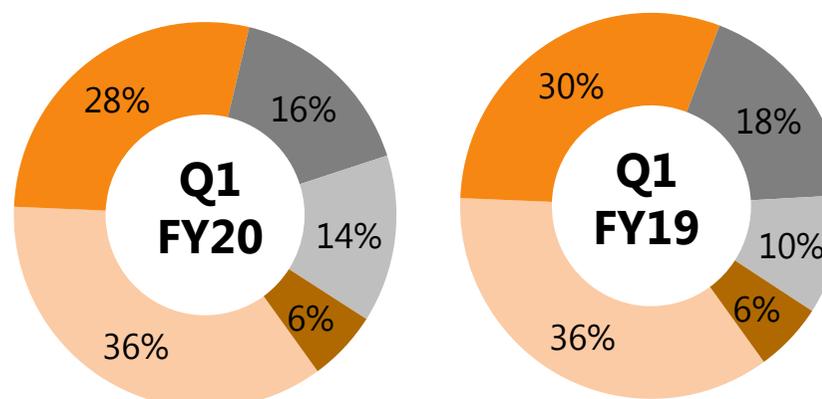


( All Figures in Rs. Mn )

	Q1 FY20	Q1 FY19	CHANGE	FY19 **	FY18	CHANGE
<b>Formulation</b>						
India	23,137	21,520	8%	73,483	80,293	-8%
US	29,474	25,437	16%	1,06,713	87,466	22%
Emerging Markets	13,486	13,087	3%	53,625	48,392	11%
ROW	11,591	7,178	61%	34,554	29,740	16%
<i>Sub-total</i>	<b>77,688</b>	<b>67,222</b>	<b>16%</b>	<b>2,68,375</b>	<b>2,45,891</b>	<b>9%</b>
Bulk	4,612	3,942	17%	17,303	13,993	24%
Others	293	225	30%	1,185	775	53%
<b>Gross Sales</b>	<b>82,593</b>	<b>71,388</b>	<b>16%</b>	<b>2,86,863</b>	<b>2,60,660</b>	<b>10%</b>

\*\* FY19 – Includes a one-time sales reduction of Rs 10,850mn related to change in distribution for India business

- US Formulations
- India Branded Generics
- Emerging Markets
- Rest of World
- API & Others



# Includes Western Europe, Canada, Japan, Australia, New Zealand and other markets

# Key Milestones targeted for future

## US Business

- Enhance share of specialty/branded business
- Continue to focus on complex generics and high entry barrier segments
- Ensure broad product offering to customers across multiple dosage forms

## India Business

- Improve productivity of India business
- Maintain leadership position in a fiercely competitive market
- Continuously innovate to ensure high brand equity with doctors
- Continue to evaluate in-licensing opportunities for latest generation patented products

## EM & RoW Business

- Gain critical mass in key markets
- Enhance product basket in emerging markets
- Improve profitability in developed European markets

# Key Milestones targeted for future

## Global Consumer Healthcare

- Maintain leadership in existing markets through focus on innovative solutions
- Enhance presence in high growth markets

## R&D

- Focus on developing complex products across multiple dosage forms
- Invest to further build on specialty pipeline

## Regulatory/ Quality

- Ensuring 24x7 compliance to cGMP is imperative for a global business
- Continuously enhance systems, processes, human capabilities to ensure compliance with global regulatory standards

## Financial

- Target sustainable and profitable growth
- Focus on improving ROCE

# FY20 Guidance



## Consolidated Revenues

- Low to mid teen growth over FY19

## R&D Investments

- Approximately 8%-9% of revenues to be invested in R&D

## Investing for Future

- Invest in R&D and in building the specialty business

# Sun Pharma at a glance



4<sup>th</sup> Largest Global Specialty Generic Company \*

US	<ul style="list-style-type: none"><li>• Ranked 8<sup>th</sup> in US<sup>##</sup> / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Amongst the largest Indian Pharma Company in Emerging Markets</li></ul>
Rest of World	<ul style="list-style-type: none"><li>• Expanding presence in Rest of World</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 44 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 100 countries across branded and generic markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>
Employees	<ul style="list-style-type: none"><li>• 32,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA</li></ul>
R&D and Manufacturing	<ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul>
Addressable Segments	<ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>

\*Source: Evaluate Pharma Estimates for 12 months ended Dec 2018

## Source: IQVIA data for 12 months ended April 2019



# Thank You!

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CIN: L24230GJ1993PLC019050

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