



Creating Lasting Value

Investor Presentation – November 2019



NSE:SUNPHARMA | BSE:524715 |
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Disclaimer

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Key Milestones Targeted

Sun Pharma at a glance



4th Largest Global Specialty Generic Company*

| | |
|-------------------------|---|
| US | <ul style="list-style-type: none">• Ranked 8th in US^{##} / Largest Indian Pharma Company in US |
| India | <ul style="list-style-type: none">• No. 1 Pharma Company in India |
| Emerging Markets | <ul style="list-style-type: none">• Amongst the largest Indian Pharma Company in Emerging Markets |
| Rest of World | <ul style="list-style-type: none">• Expanding presence in Rest of World |
| Manufacturing Footprint | <ul style="list-style-type: none">• 43 manufacturing sites across the world |
| Market Presence | <ul style="list-style-type: none">• Presence in more than 100 countries across branded and generic markets |
| Product Portfolio | <ul style="list-style-type: none">• Portfolio of more than 2,000 products across the world |
| Employees | <ul style="list-style-type: none">• 32,000+ global employee base |
| Quality Compliance | <ul style="list-style-type: none">• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA |
| R&D and Manufacturing | <ul style="list-style-type: none">• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules |
| Addressable Segments | <ul style="list-style-type: none">• Specialty products, branded generics, complex generics, pure generics & APIs |

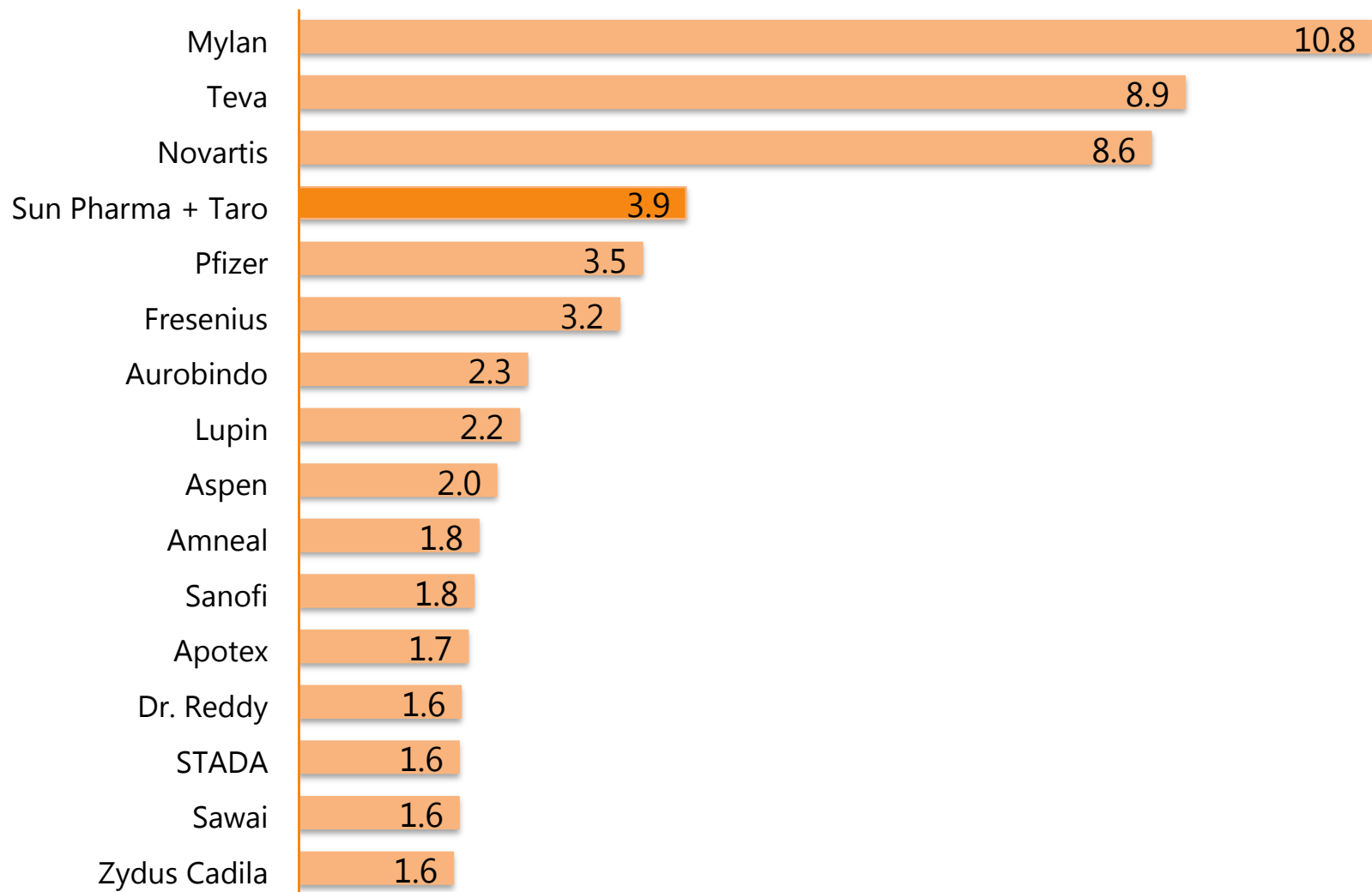
*Source: Evaluate Pharma Estimates for 12 months ended Dec 2018

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

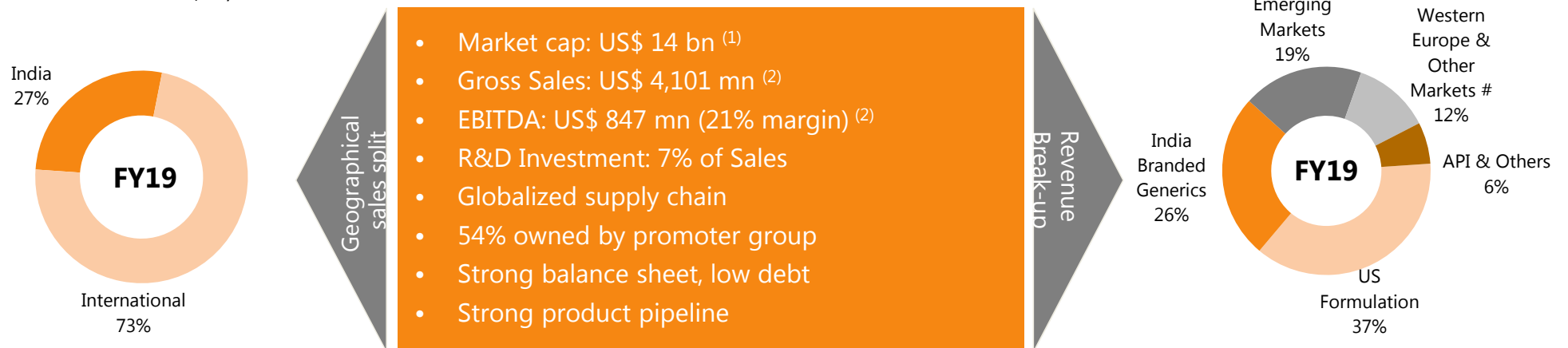


US Formulations

- 8th largest generics company in US* with a strong pipeline (103 ANDAs & 5 NDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 477 approved products
- FY19 sales: US\$ 1,526 mn ⁽²⁾

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 ⁽²⁾



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 ⁽²⁾

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 ⁽²⁾

Note:

(1) As of Nov, 08, 2019 using spot exchange rate of INR /USD = 71.00

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

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

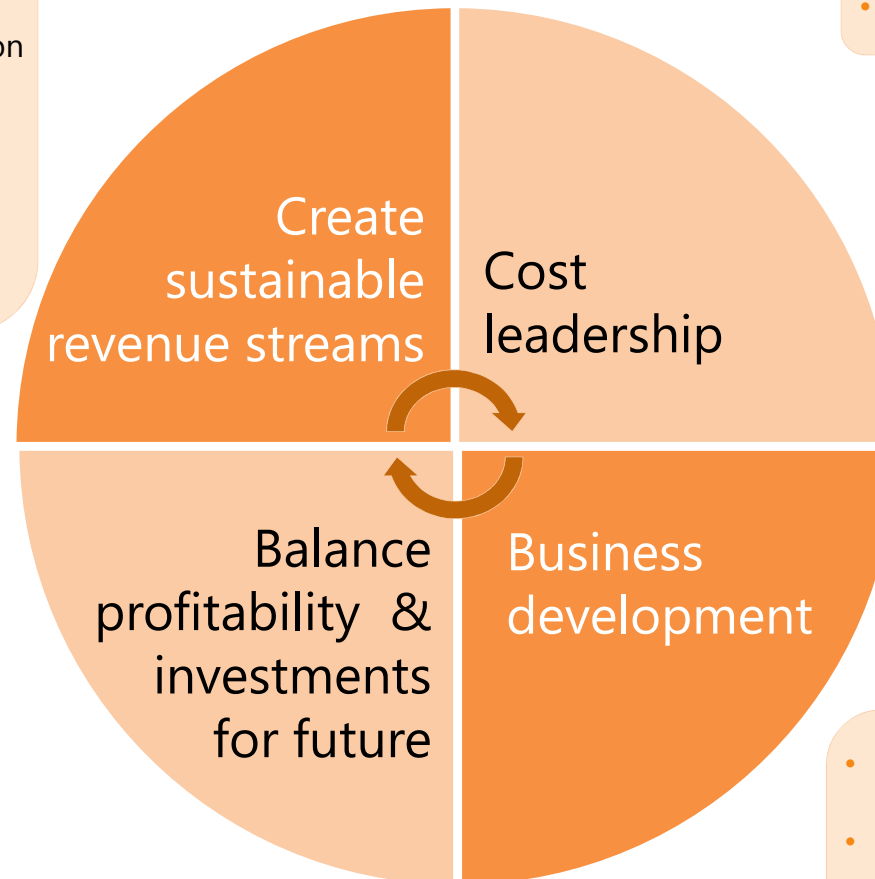
All sales numbers in US\$ for 12 months ended March 31, 2019.

* 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
- Long term clinical data shows that the significant response rate seen in 52 & 64 weeks were maintained over four years
- 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
- Launched in US in October 2019
- 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

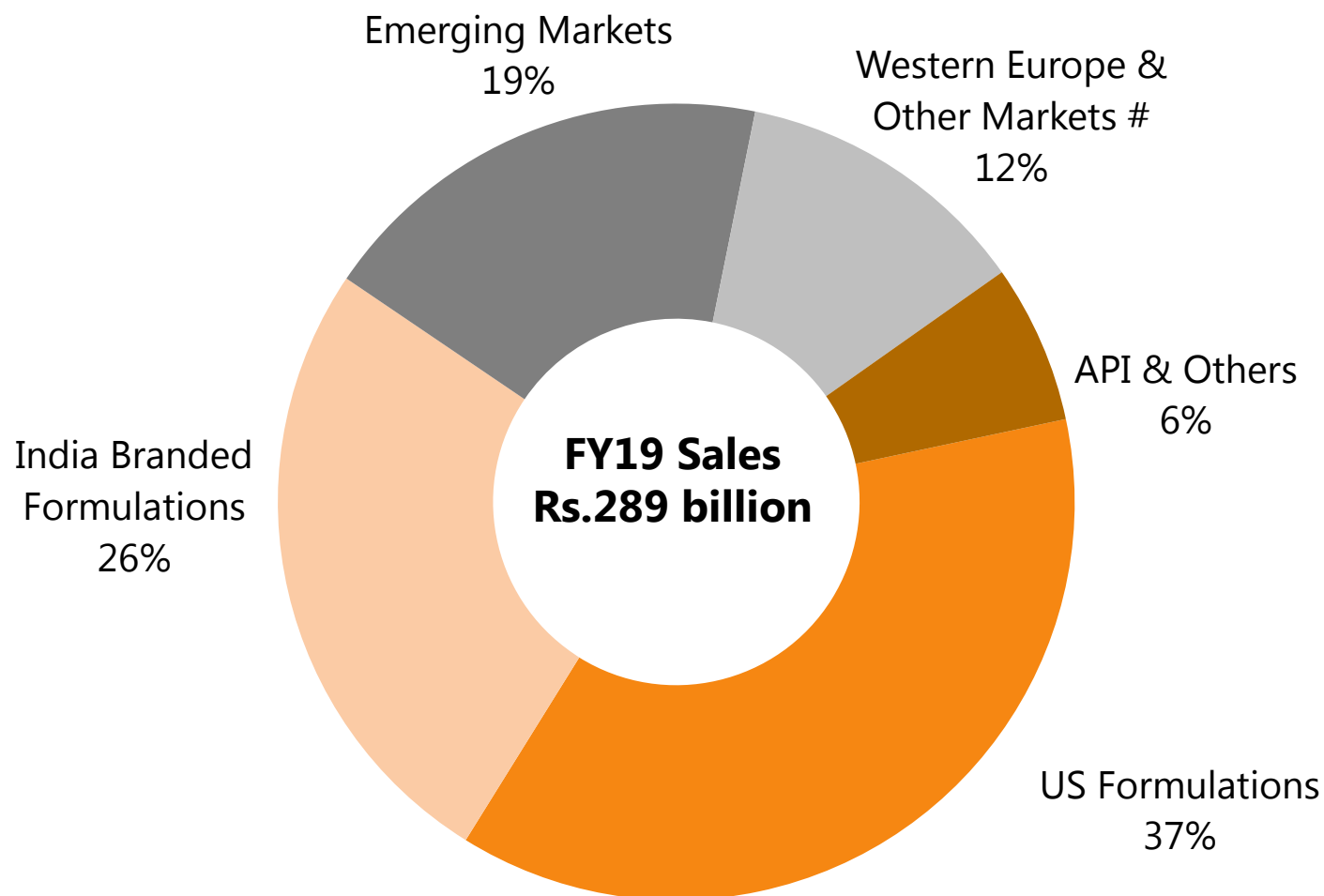
Xelpros

- 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

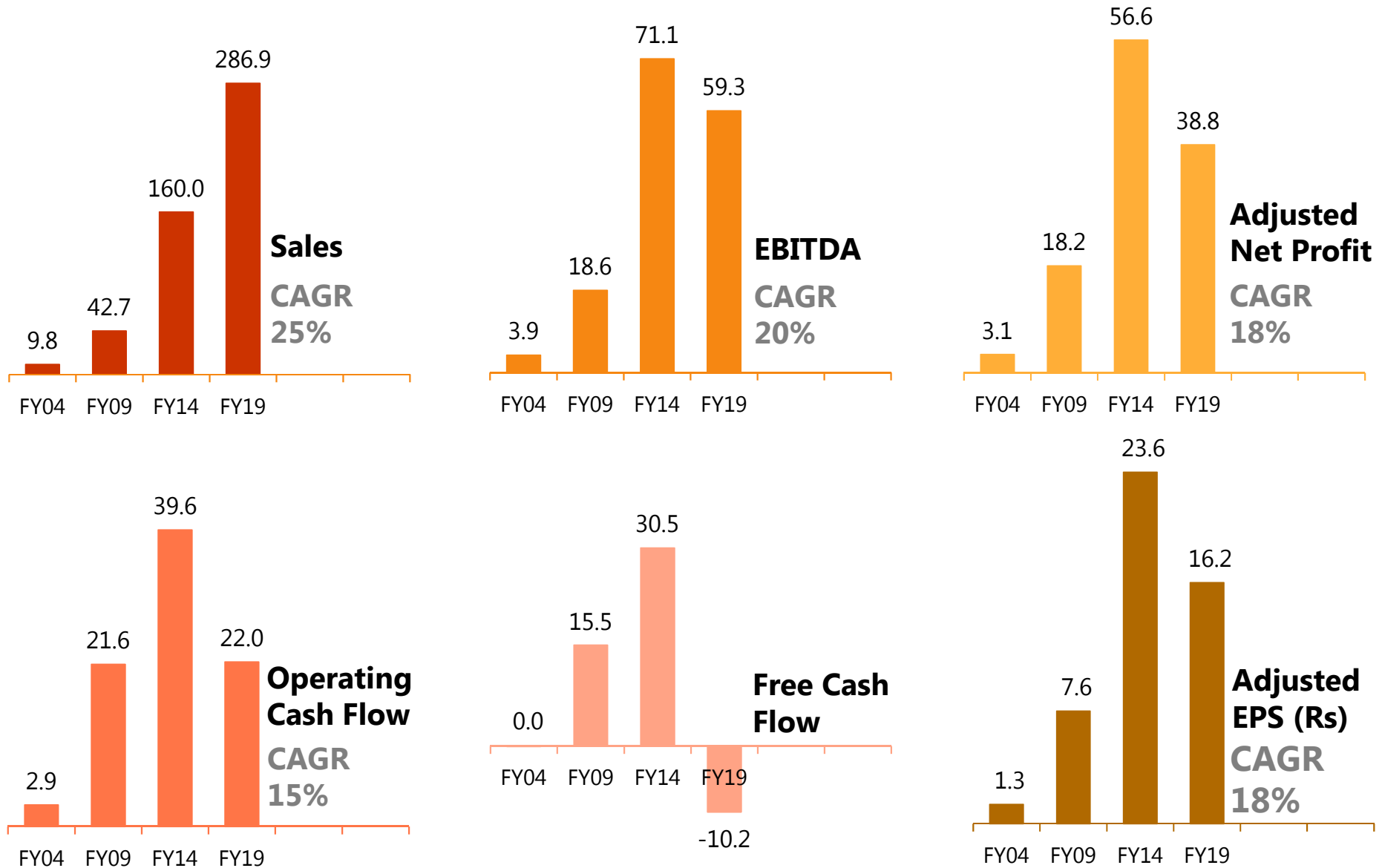


Includes Western Europe, Canada, Japan , Australia, New Zealand and other markets.

Impressive Track Record of Growth



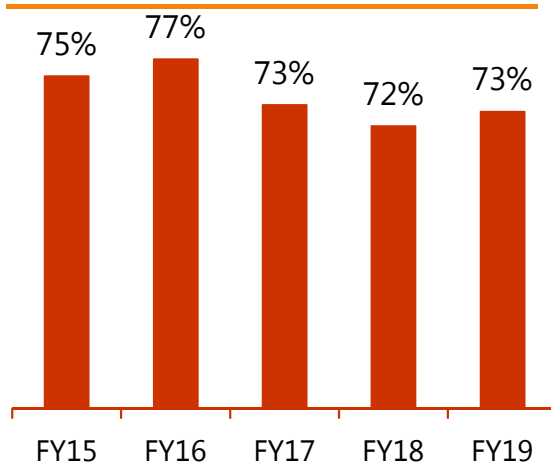
(All Figures in INR Billion)



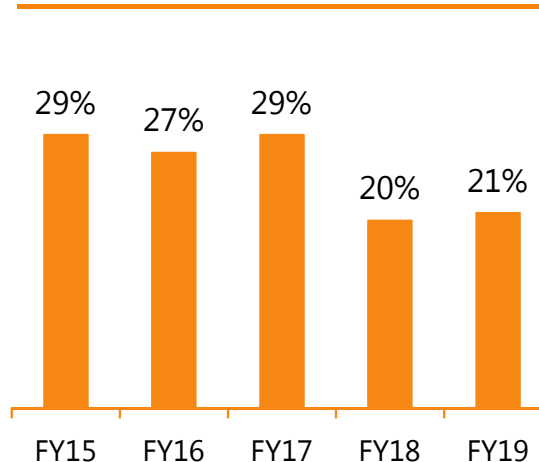
Consistent profitability and returns



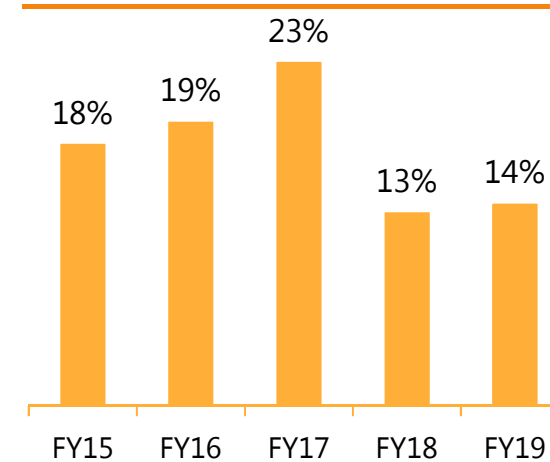
Gross Margin



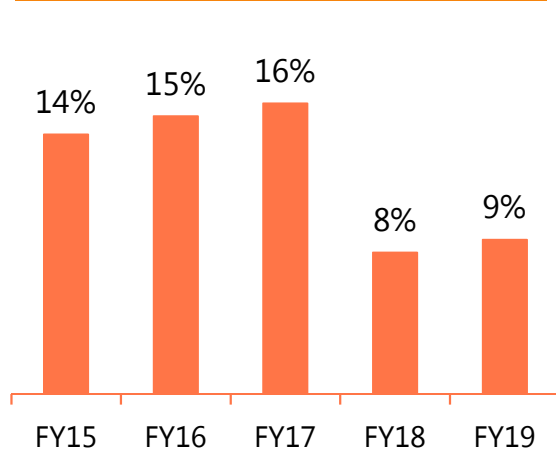
EBITDA Margin



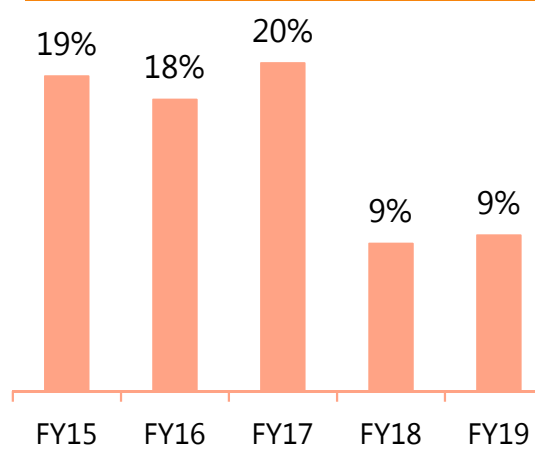
Net Margin (adjusted)



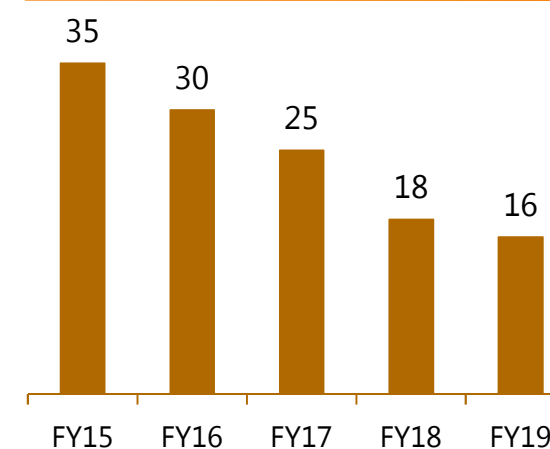
ROCE



ROE



Market Cap (USD Bn)



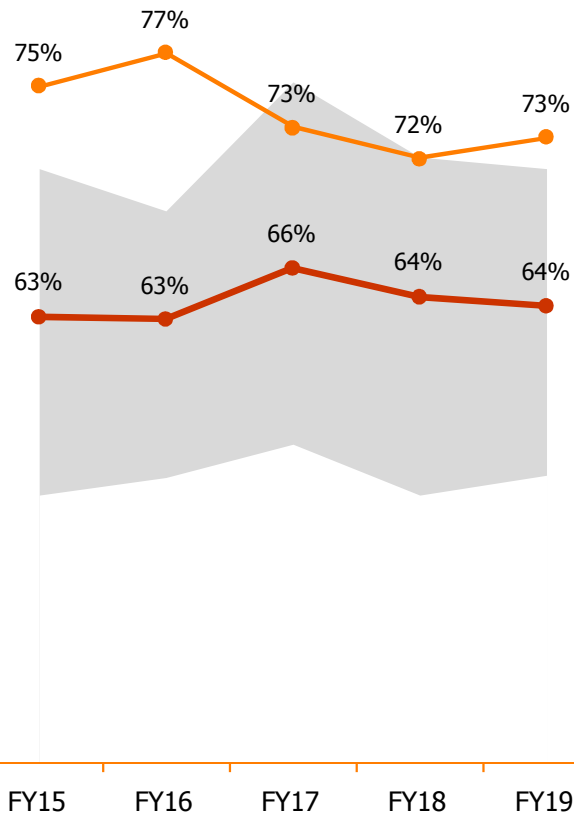
Gross margin= (Net Sales- Material Cost)/ Net Sales * 100
 ROCE & ROE exclude one-time exceptional charges

(Market Cap as on 31st March)

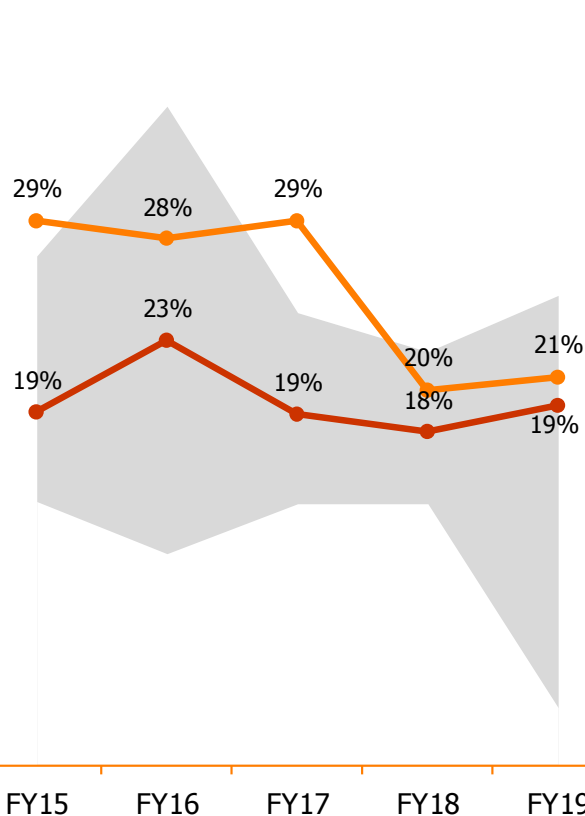
Profitability



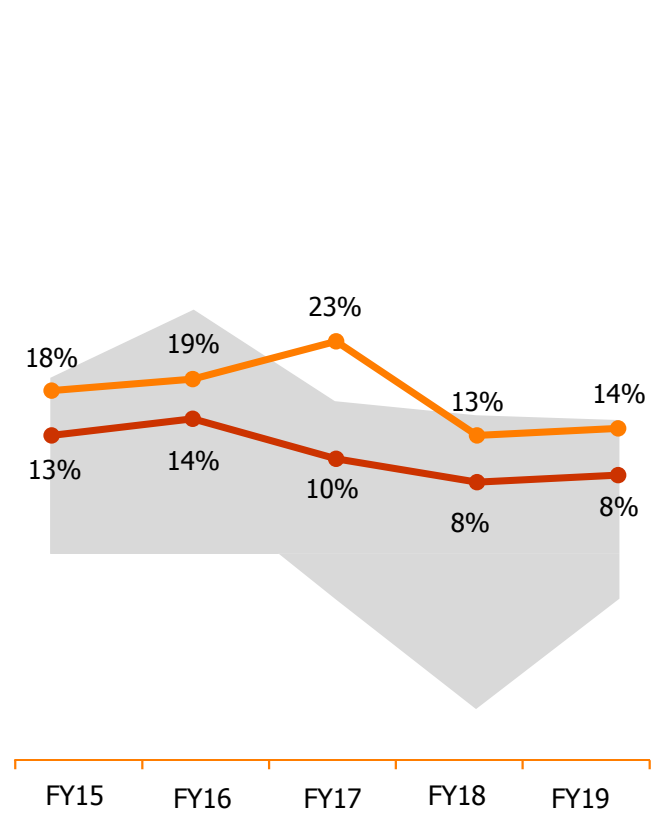
Gross Margin



EBITDA Margin



Net Margin

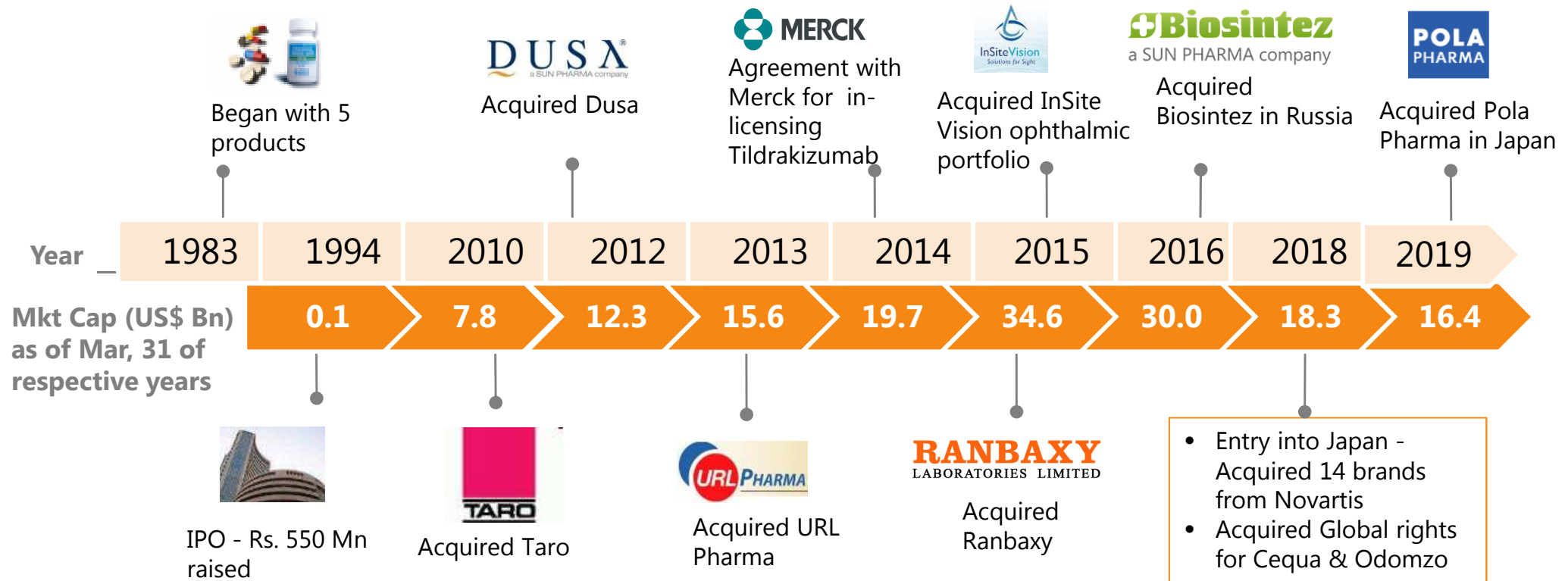


Gross margin = $(\text{Net Sales} - \text{Material Cost}) / \text{Net Sales} * 100$

● 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.160 Bn in R&D till date



Part of NSE Nifty & BSE Sensex in India



43 Manufacturing facilities in 6 Continents



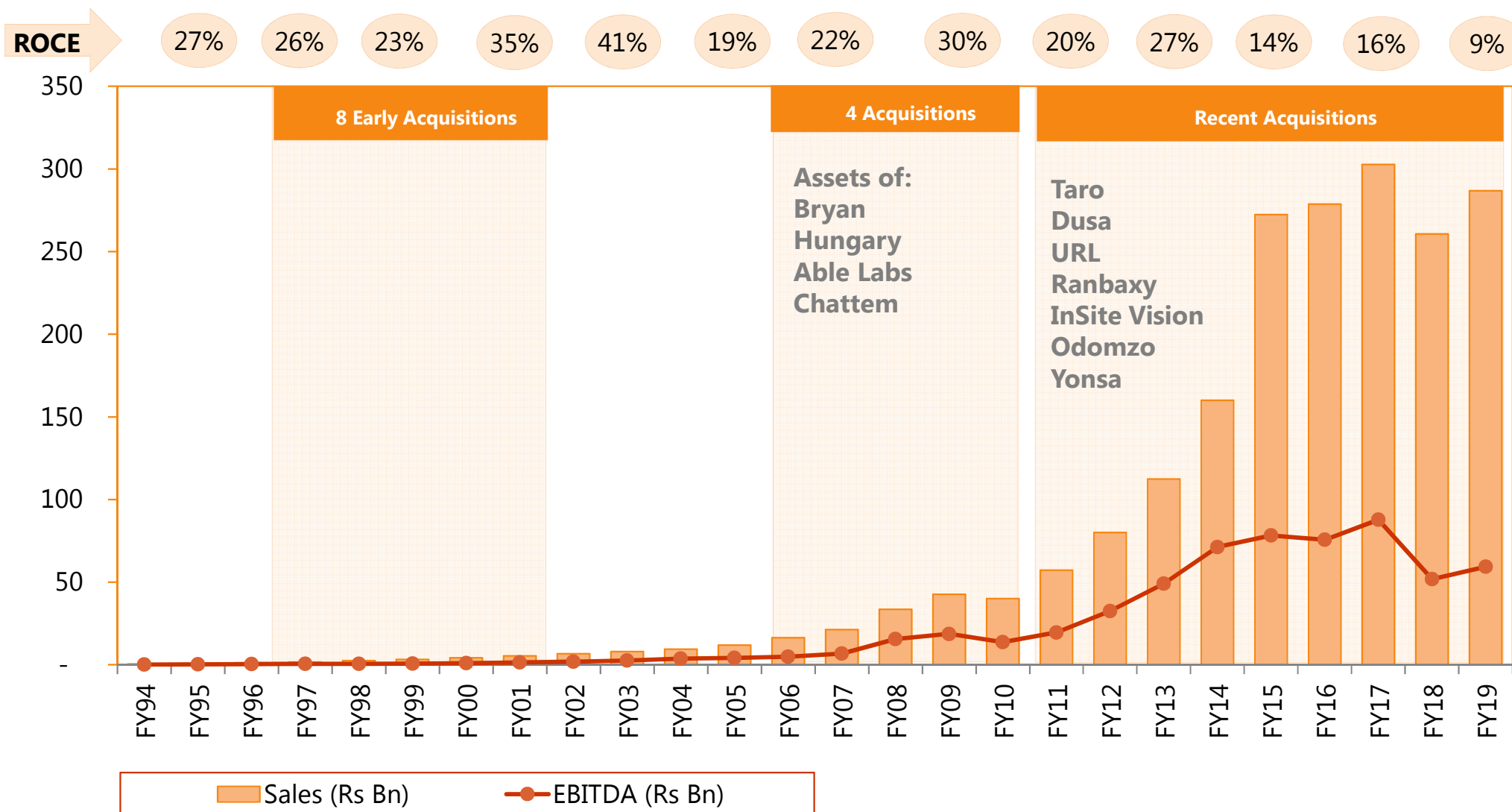
73% of sales from international markets

Key Deals & Rationale

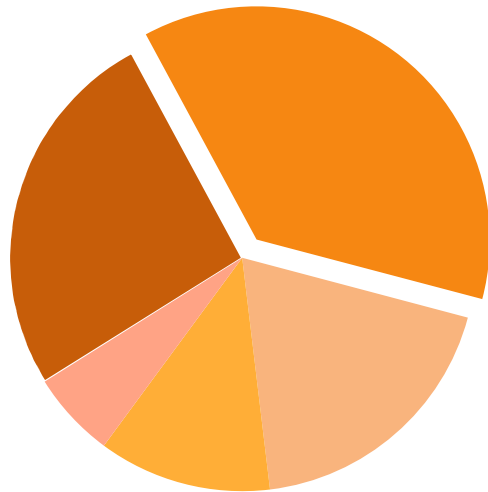


| Year | Deals | Country | Rationale |
|------|--|----------------|---|
| 2019 | Licensing agreement with CMS for Tildrakizumab, Cequa & 8 generic products | Greater China | Access to Greater China market |
| 2018 | Acquired Pola Pharma in Japan | Japan | Access to Japanese dermatology market. |
| 2016 | 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 th 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 |

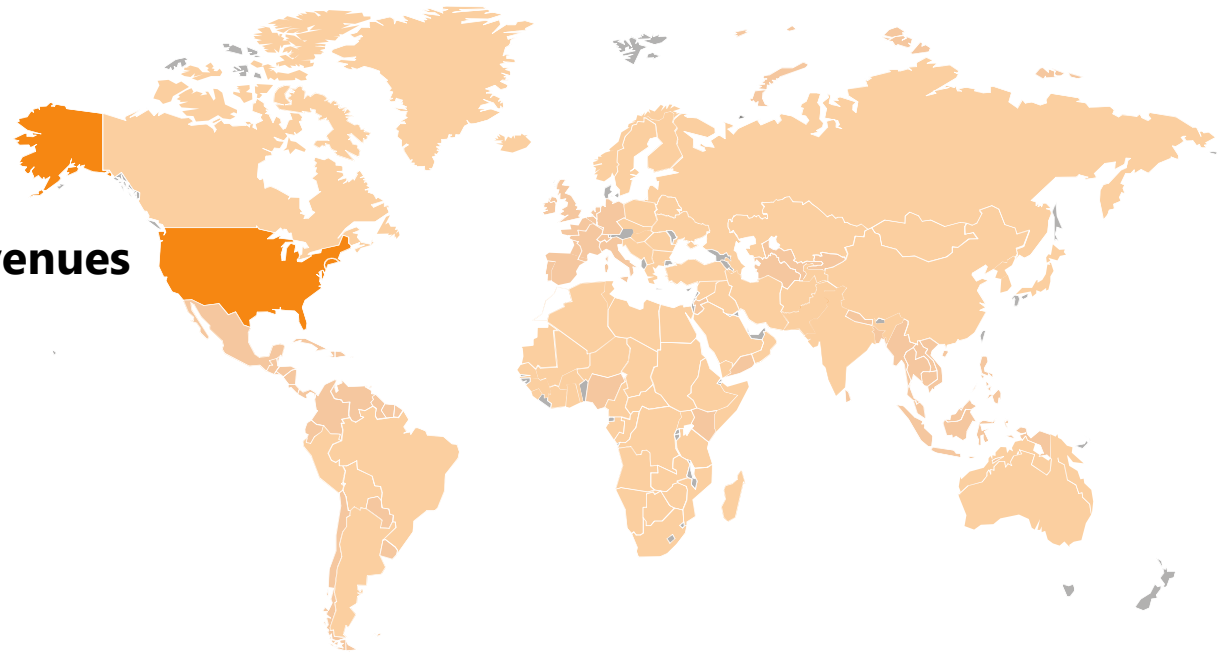
Successful track record of turning around acquisitions



US Business



37% of Revenues



US Business at a glance



8th 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 575 ANDAs & 59 NDAs filed and 472 ANDAs & 54 NDAs approved across multiple therapies

Robust Pipeline

- 103 ANDAs & 5 NDAs pending with FDA

Market Presence

- Presence in generics, branded & OTC segments

Flexible Manufacturing

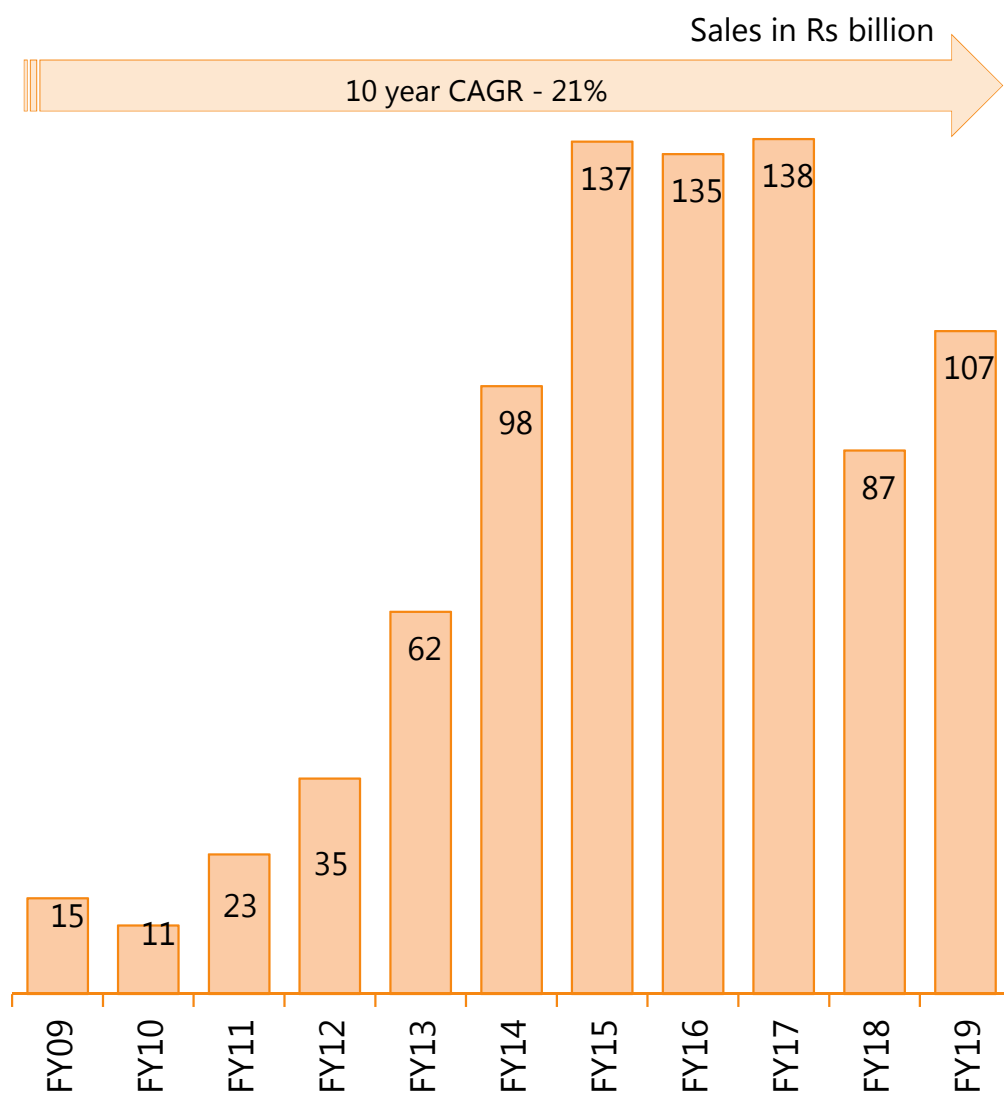
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

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



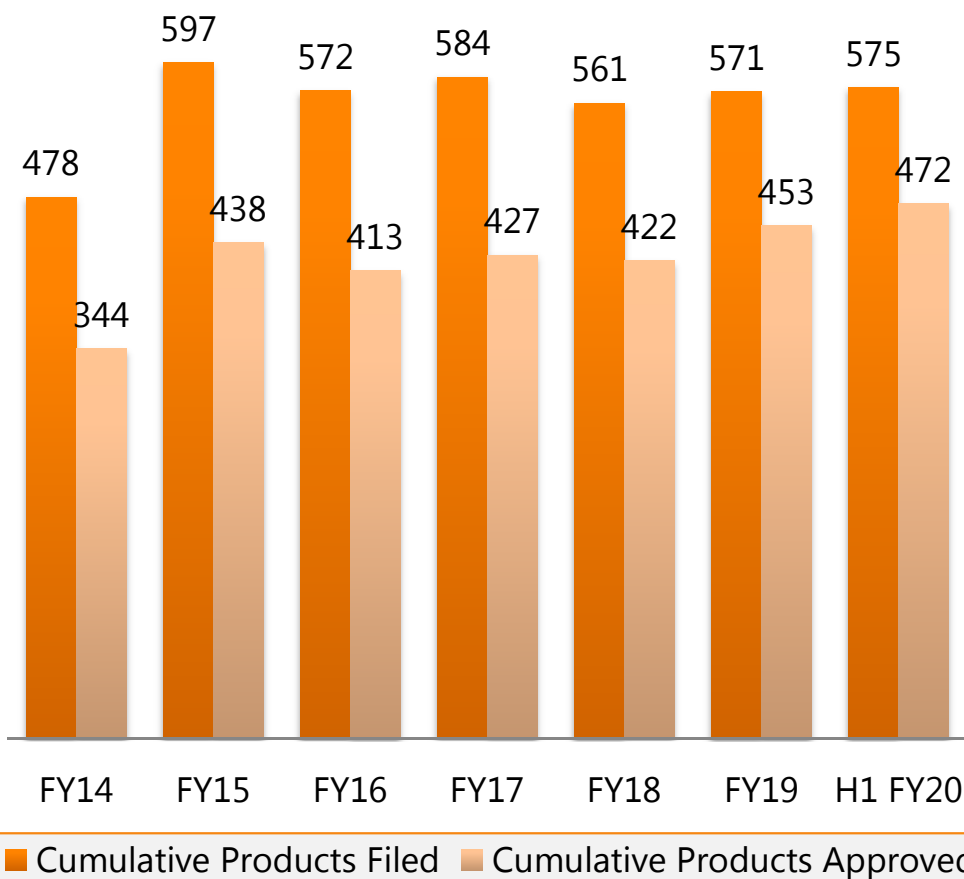
Key Milestones in US

- 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 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™
- FY20**
 - Launched Cequa in US

ANDA Pipeline - Significant ramp up

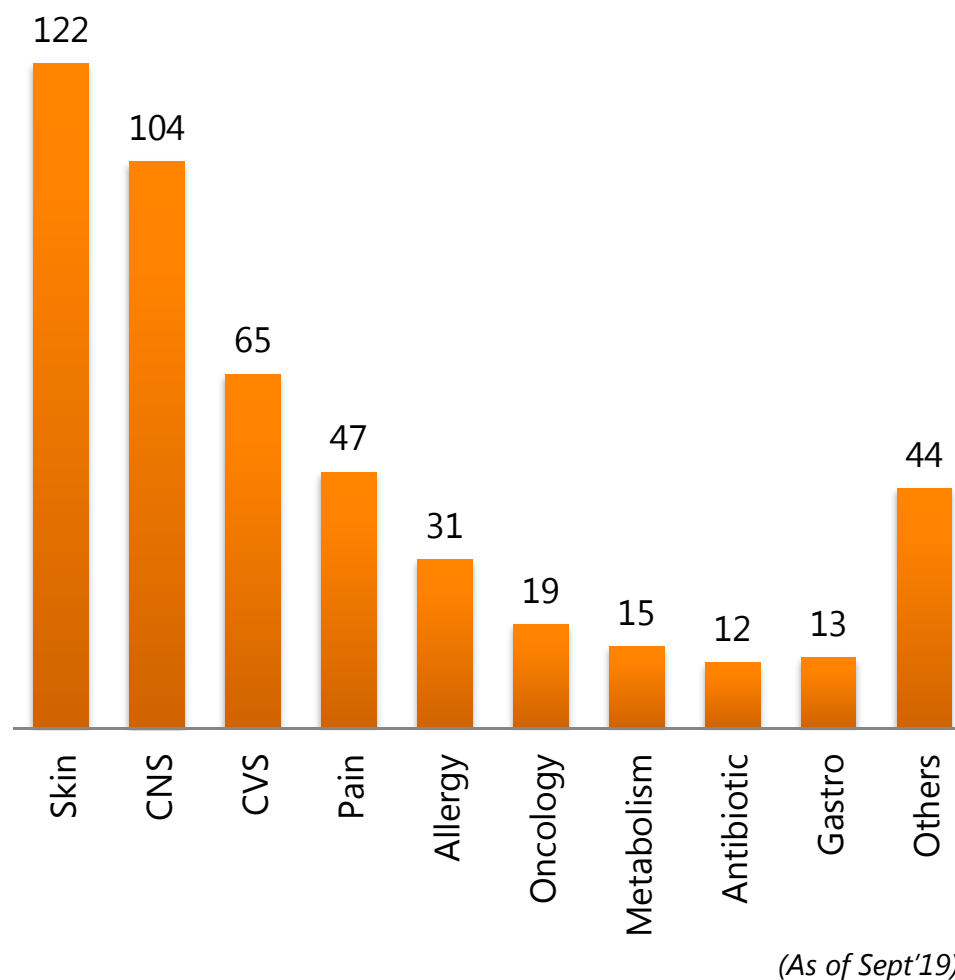


ANDAs Filed and Approved (Cumulative)



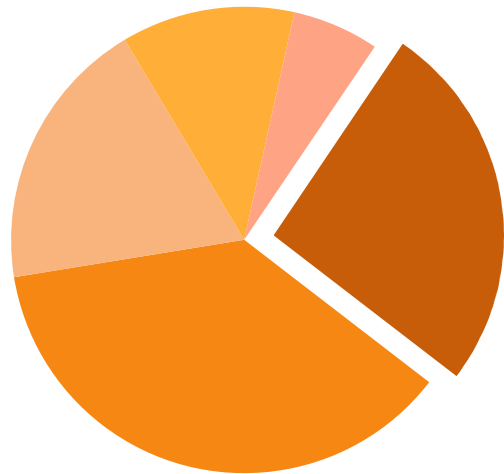
(Cumulative no's for FY16 are lower than FY15 due to Bryan facility divestment. Ranbaxy numbers added for March'15)

ANDA Approvals by Therapeutic Area



(As of Sept'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

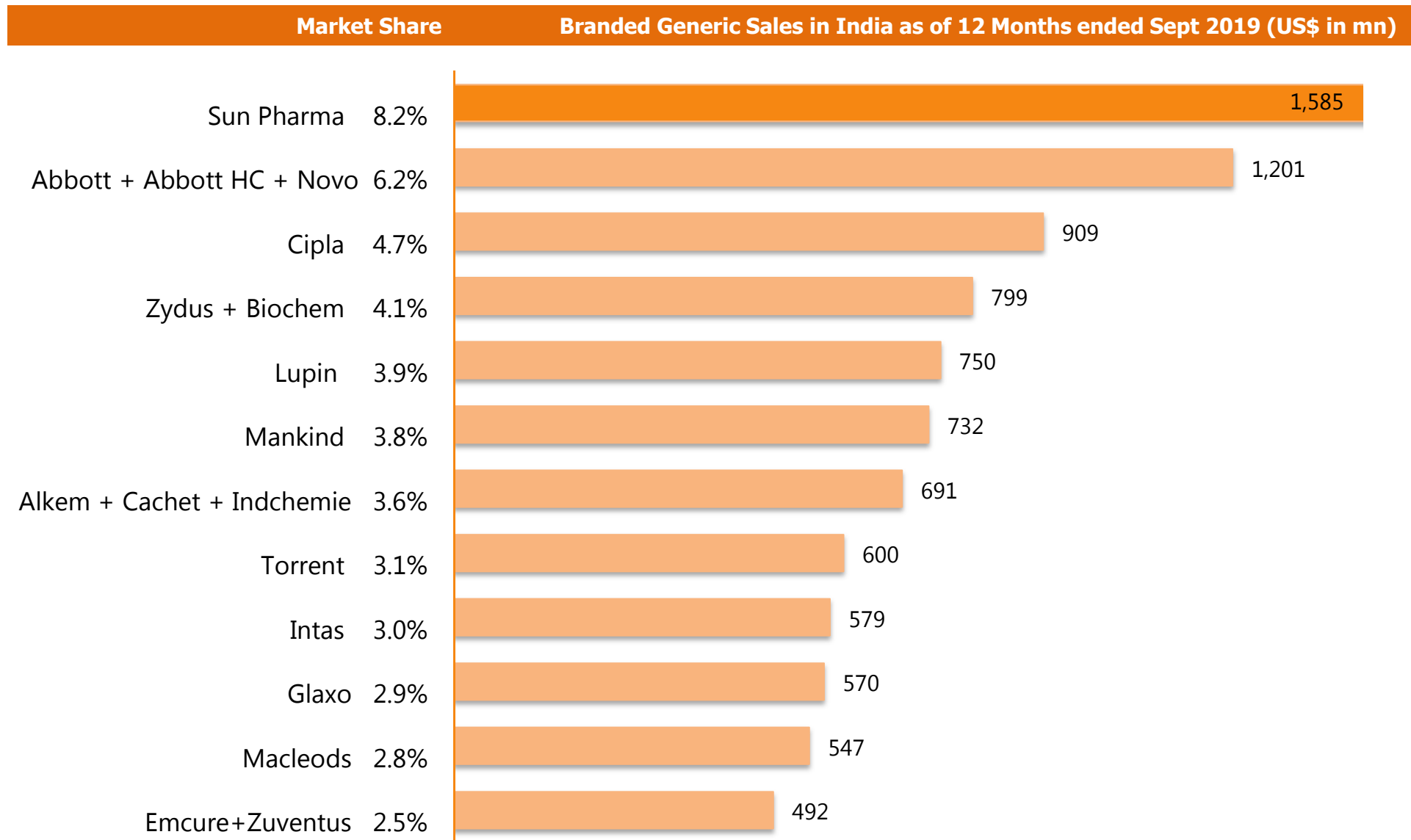
Extensive Sales Force

- 9,500+ strong field force covering over 400,000 doctors

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

- As per SMSRC data for Sept'19

Largest Pharma Company in India

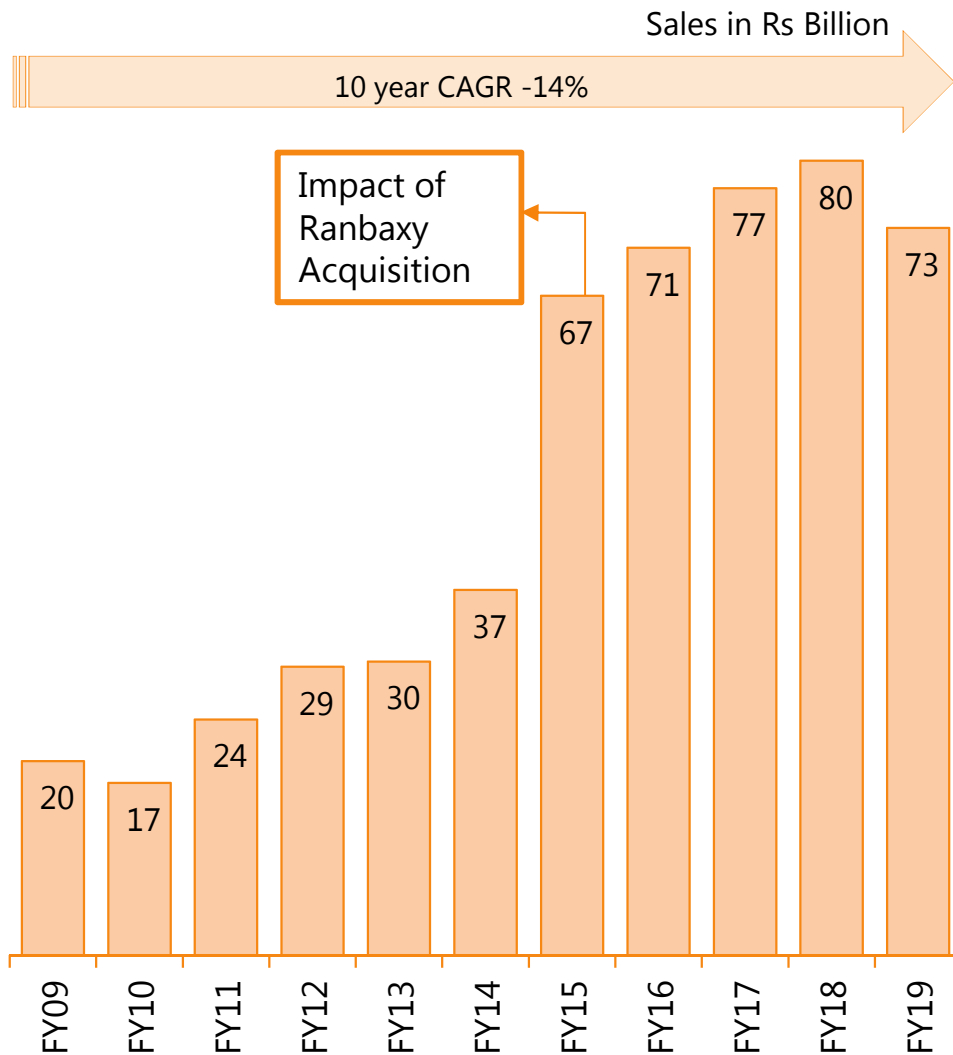


Source: AIOCD AWACS MAT Sept 2019 data converted at average of Rs. 70.41/US\$

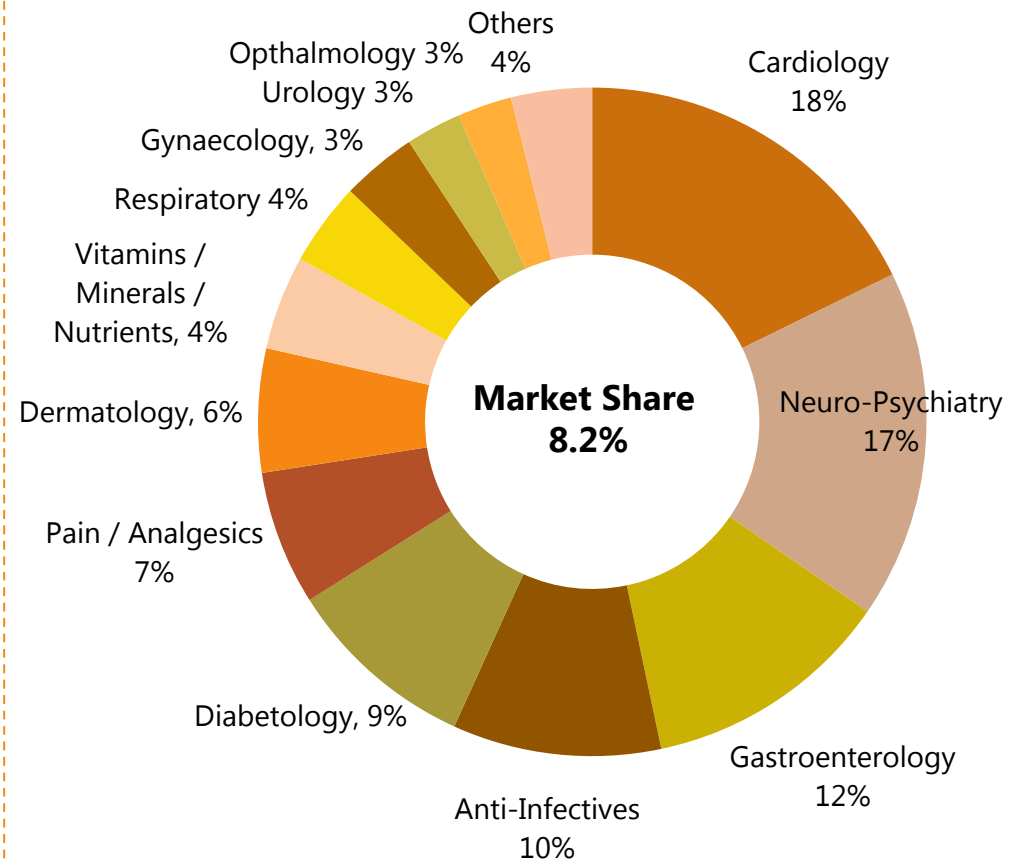
India Business – Sales ramp-up



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 – Sept'19

Leadership in key therapeutic areas*



Number 1 Ranking with 11 Doctor Categories*

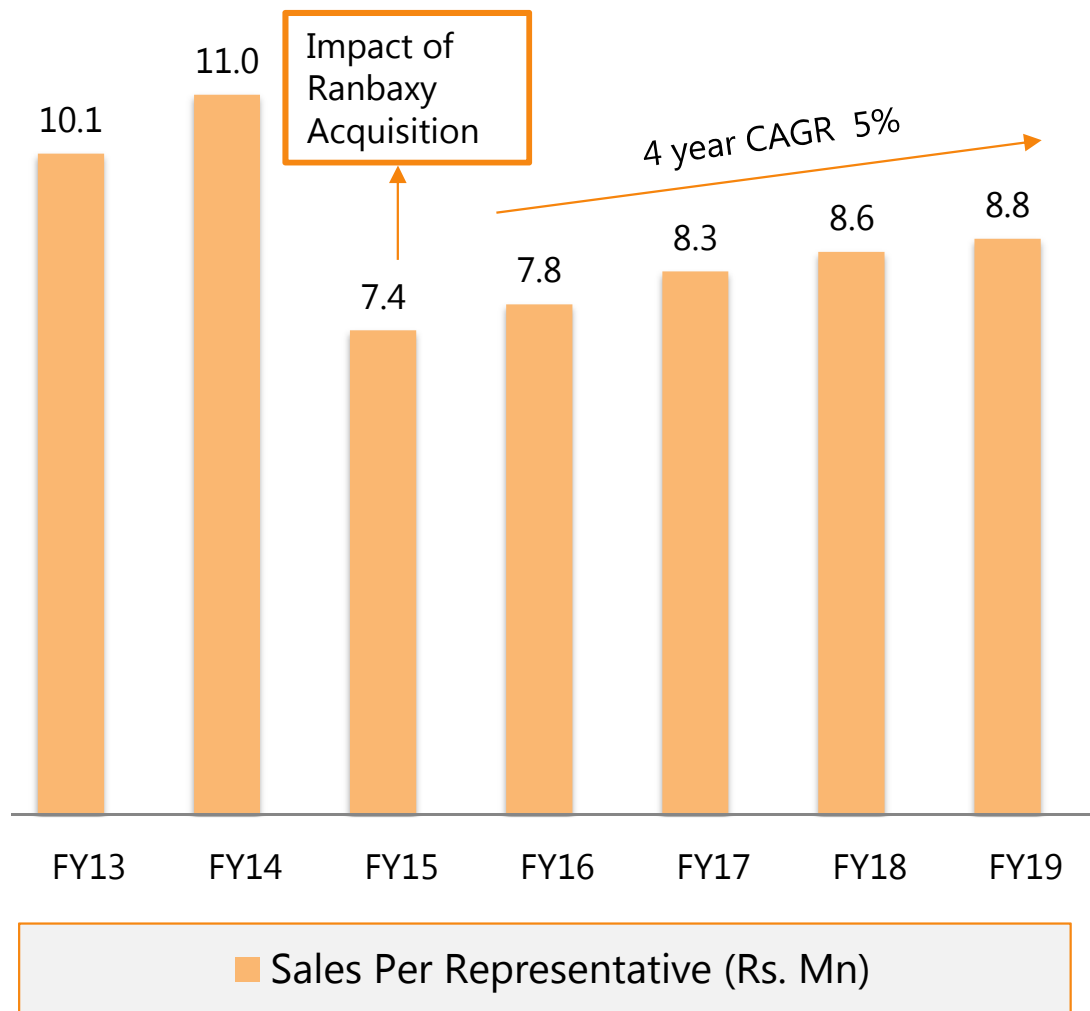
| Specialist | Prescription Ranking | | | | |
|-----------------------|----------------------|----------|----------|----------|----------|
| | June '15 | June '16 | June '17 | June '18 | June '19 |
| Psychiatrists | 1 | 1 | 1 | 1 | 1 |
| Neurologists | 1 | 1 | 1 | 1 | 1 |
| Cardiologists | 1 | 1 | 1 | 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 |
| Consulting Physicians | 1 | 1 | 1 | 1 | 1 |
| Dermatologists | 1 | 1 | 1 | 1 | 1 |
| Urologists | 1 | 1 | 1 | 1 | 1 |
| Oncologists | 1 | 1 | 1 | 1 | 2 |
| Ophthalmologists | 1 | 1 | 2 | 2 | 1 |
| Chest Physicians | 1 | 2 | 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

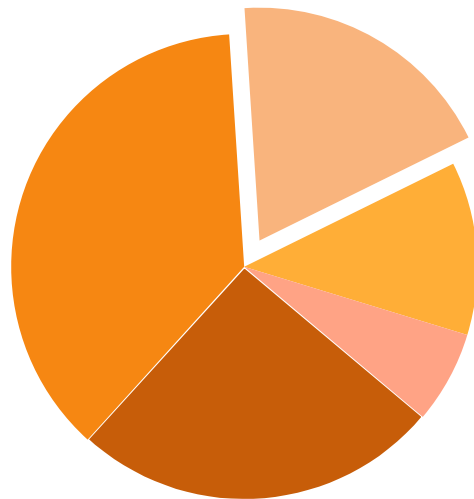
Industry
Average*

- Rs 5.2 Mn/ MR

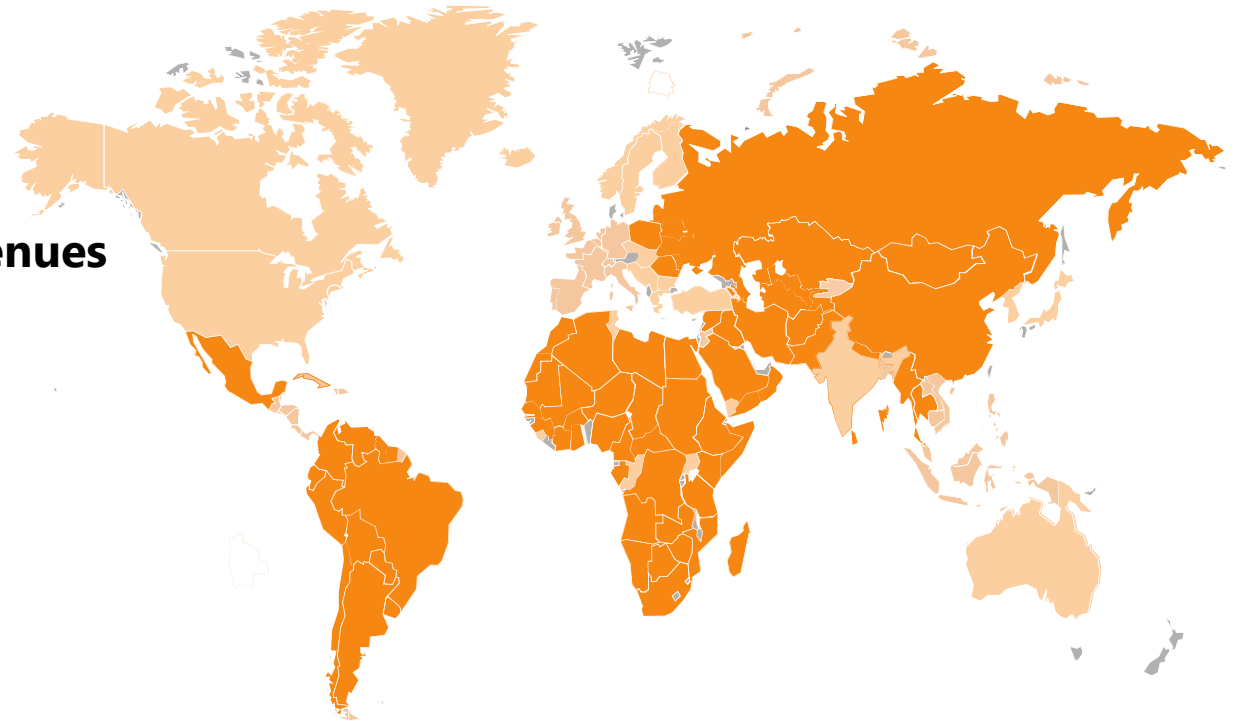
* Approximation based on brokerage reports

- 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

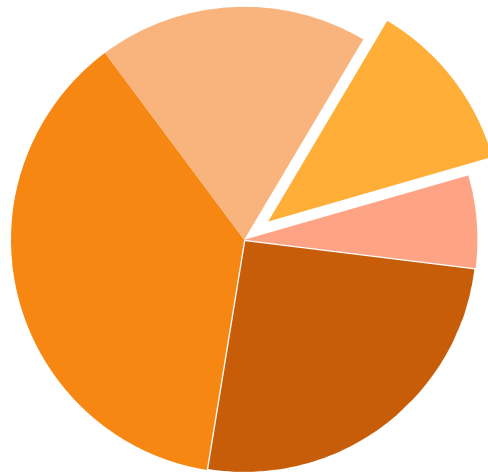
Local Manufacturing

- Across 7 countries

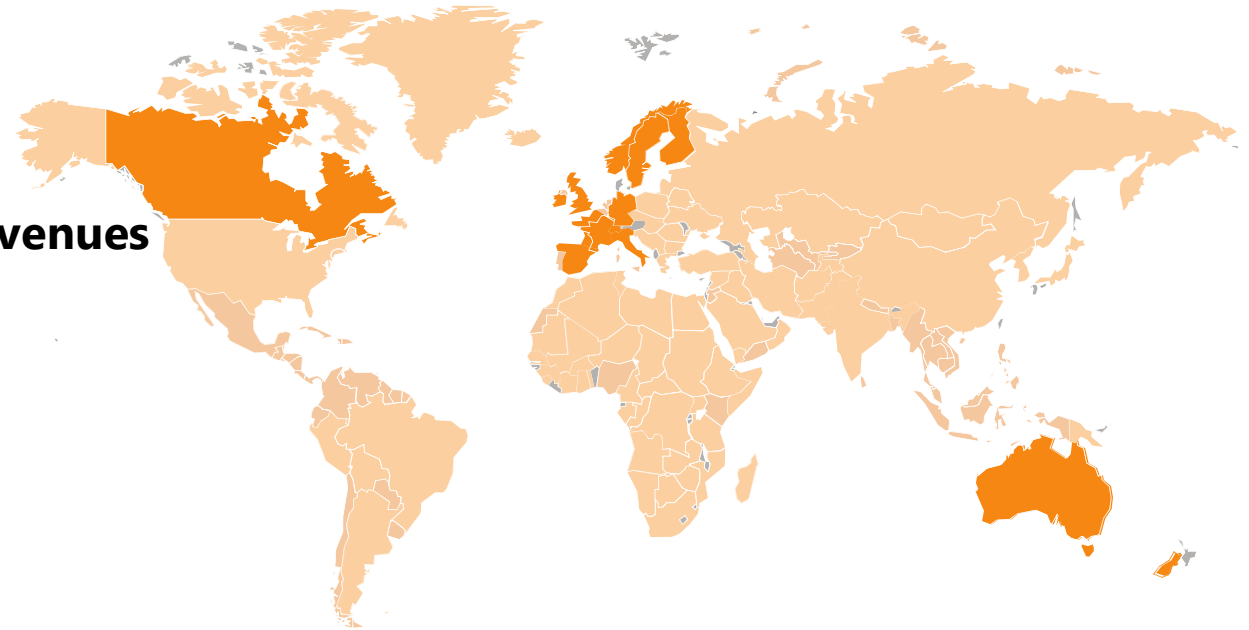
Russia Acquisition

- 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

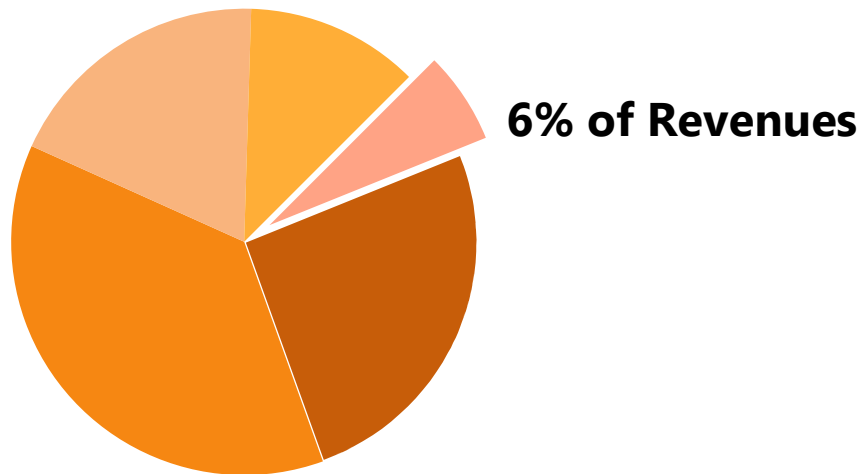
Sales Force

- 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

- 316 DMF/CEP approvals to date
- 422 DMF/CEP Filings to date

Manufacturing

- Across 14 facilities

Research & Development



Research & Development



Cumulative R&D Spend of over Rs 160 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. 2,500 headcount globally with capabilities across dosage forms like orals, liquids, ointments, gels, sprays, injectable

IPR Support

- Strong team of intellectual property experts supporting R&D

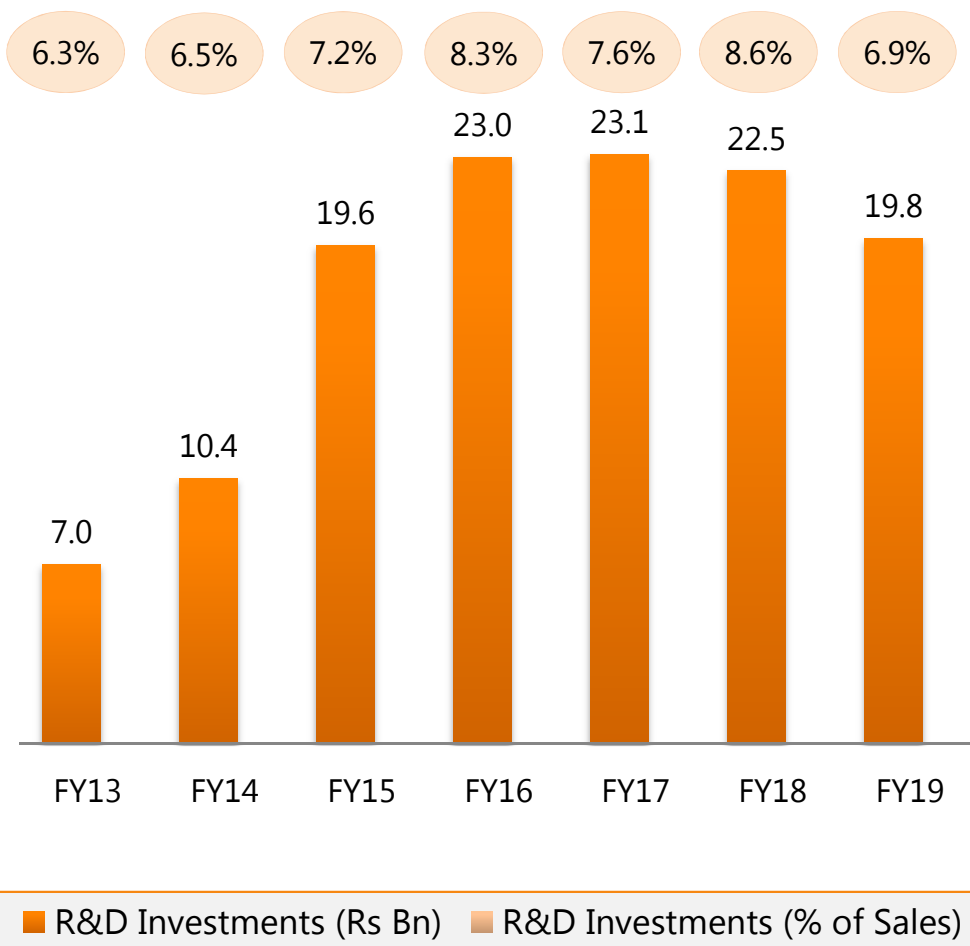
Focus

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

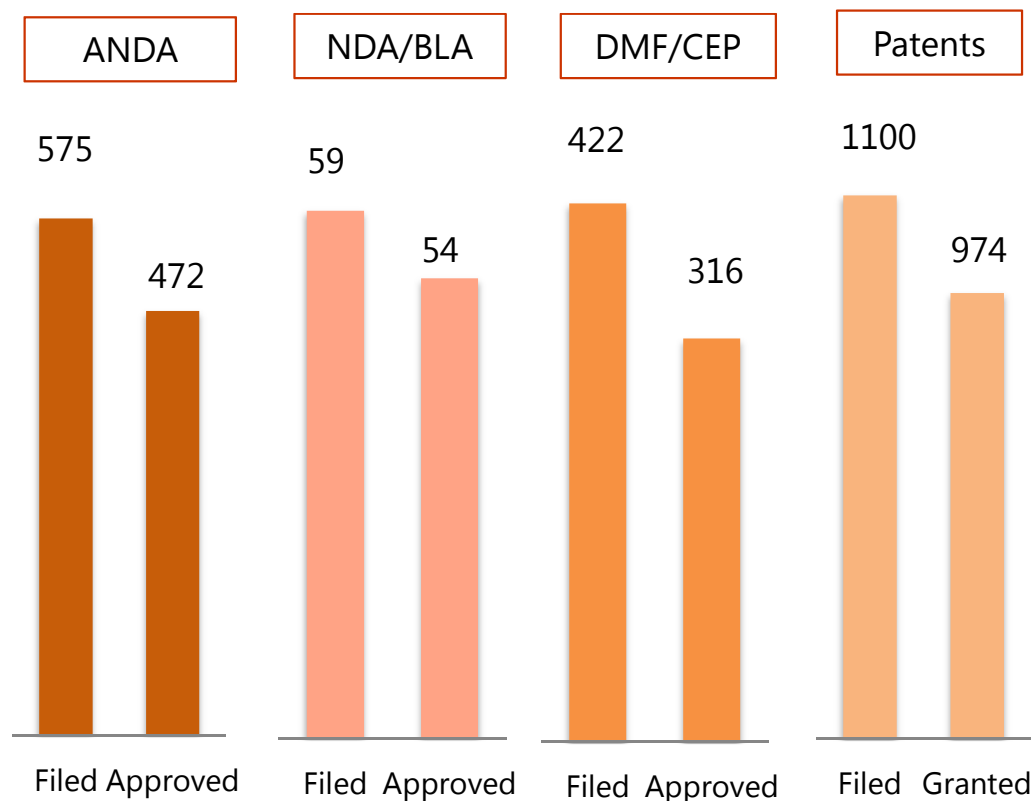
R&D Investments



R&D Investments



Filings and Approvals



As of Sept 30, 2019

Global Manufacturing Presence



Global Manufacturing Presence



World Class Manufacturing Infrastructure

Extensive Global Footprint

- 43 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

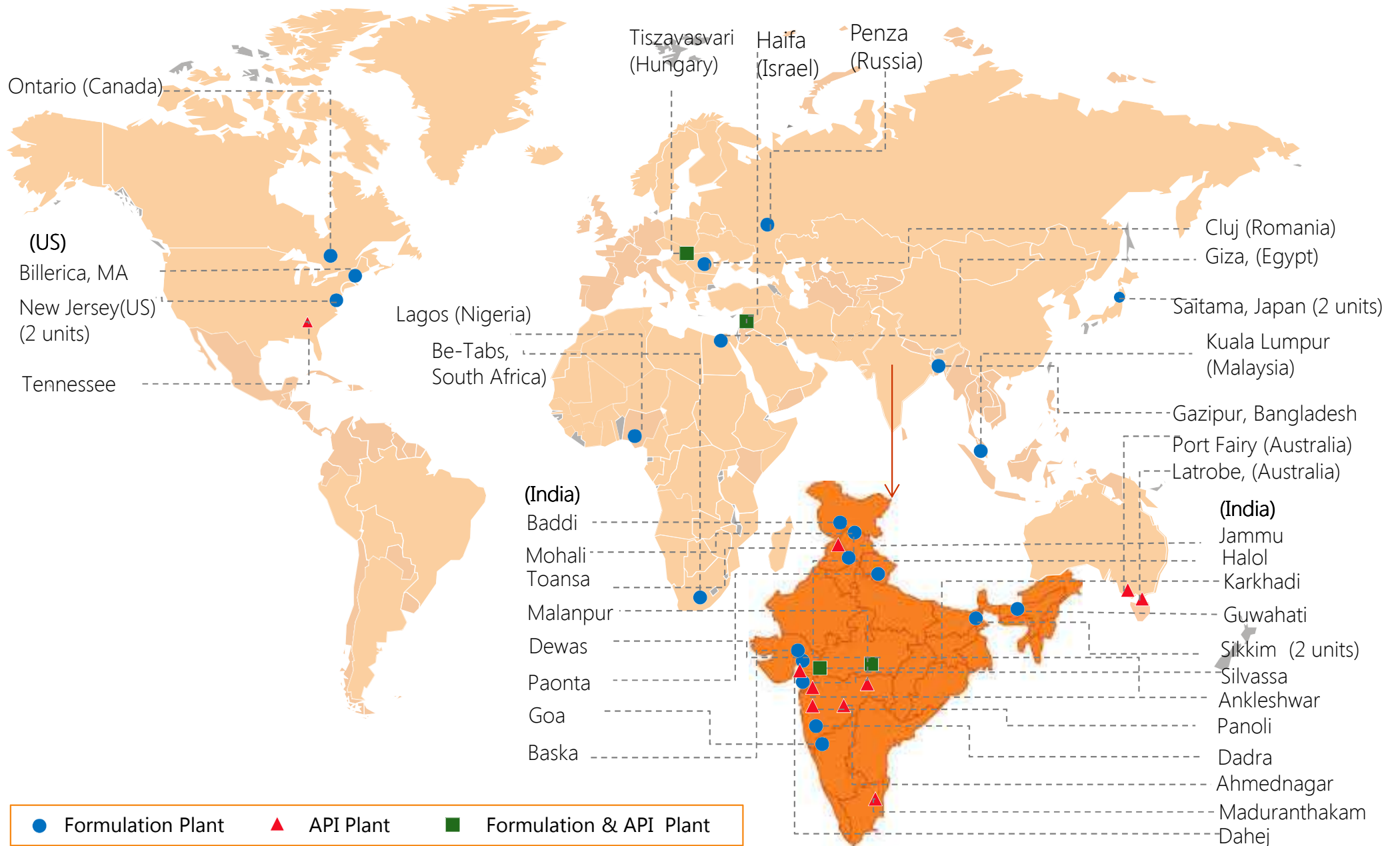
High Quality

- 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

29 Finished dosage manufacturing sites

- India : 14, US : 3, 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 |
|------------------------|---------------------|------|---------------------|------|----------|------|---------------------|------|---------------------|------|
| P&L Summary | | | | | | | | | | |
| 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 [#] | -16% | 52,309 [#] | 9% | 69,644 | 33% | 33,006 [#] | -53% | 38,798 [#] | 18% |
| R&D Spend | 19,550 | 88% | 23,025 | 18% | 23,138 | 0% | 22,489 | -3% | 19,847 | -12% |
| BS Summary | | | | | | | | | | |
| | 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

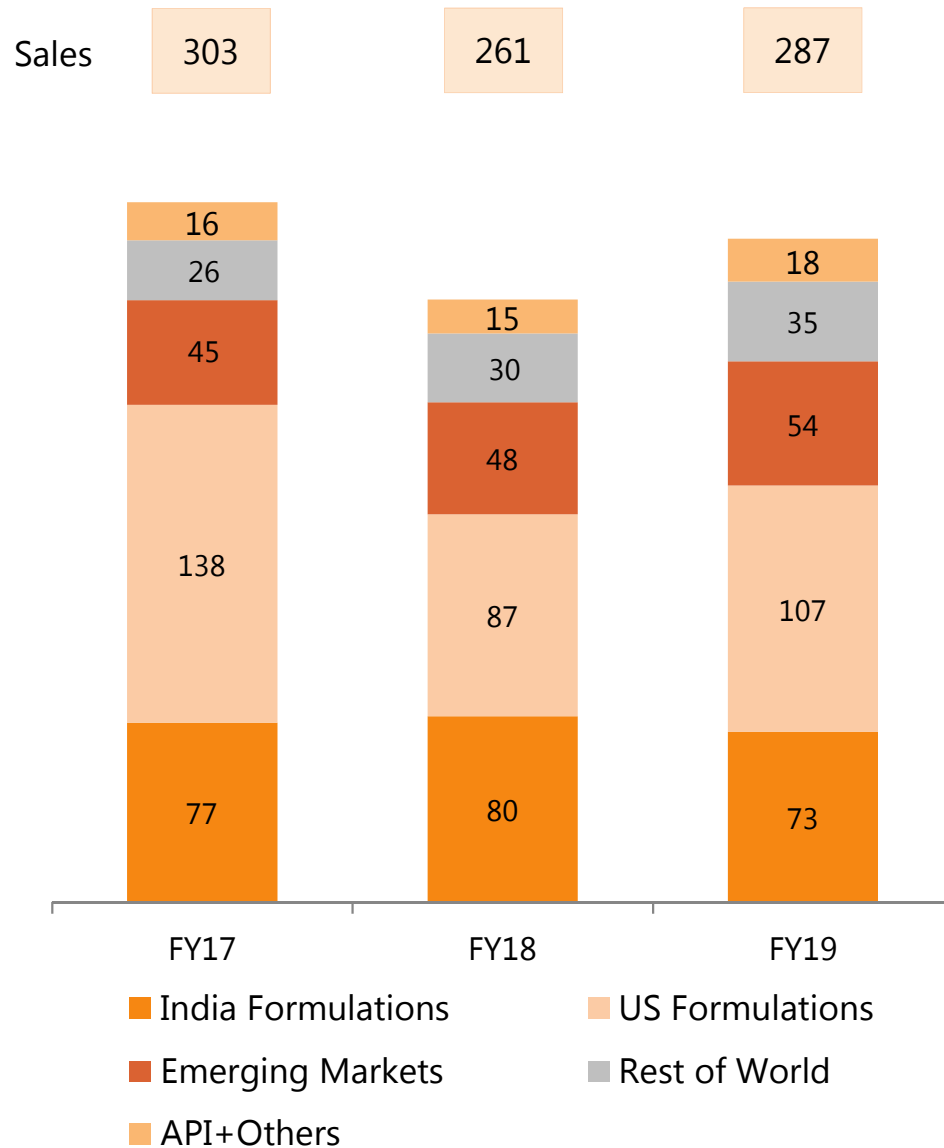
FY19 -Adjusted for Rs 12 bn provision related to Modafinil settlement

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

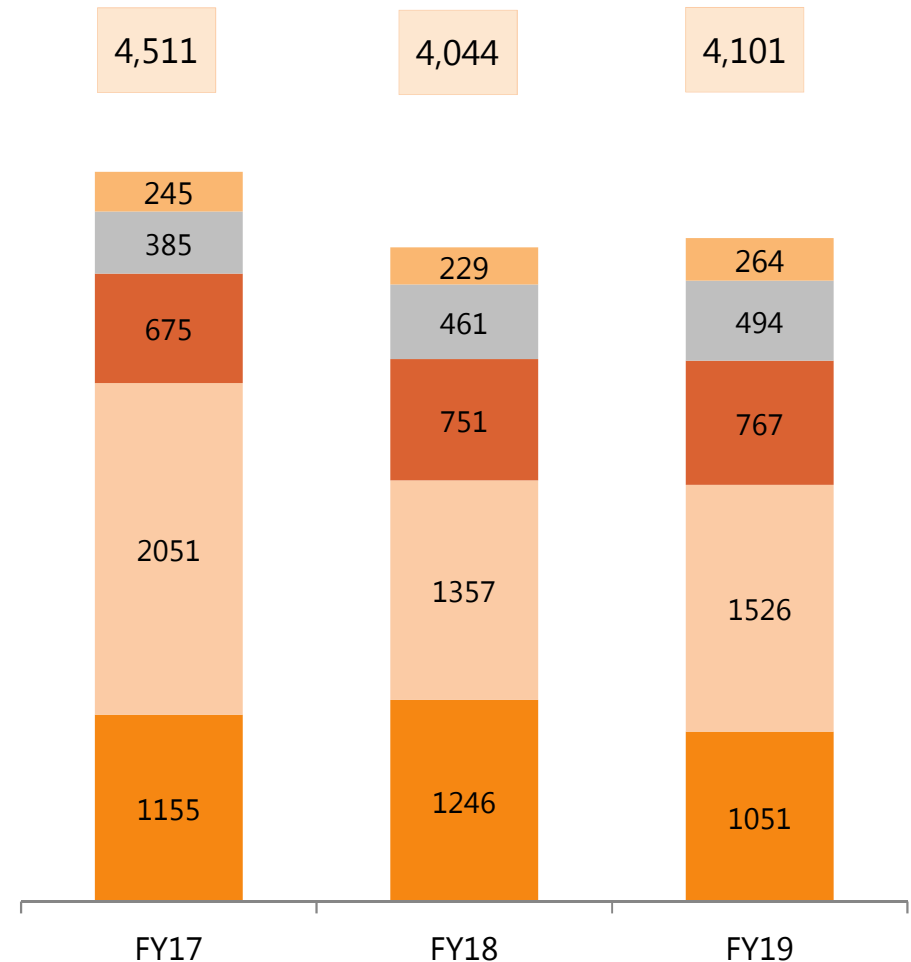
Sales Break-up



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

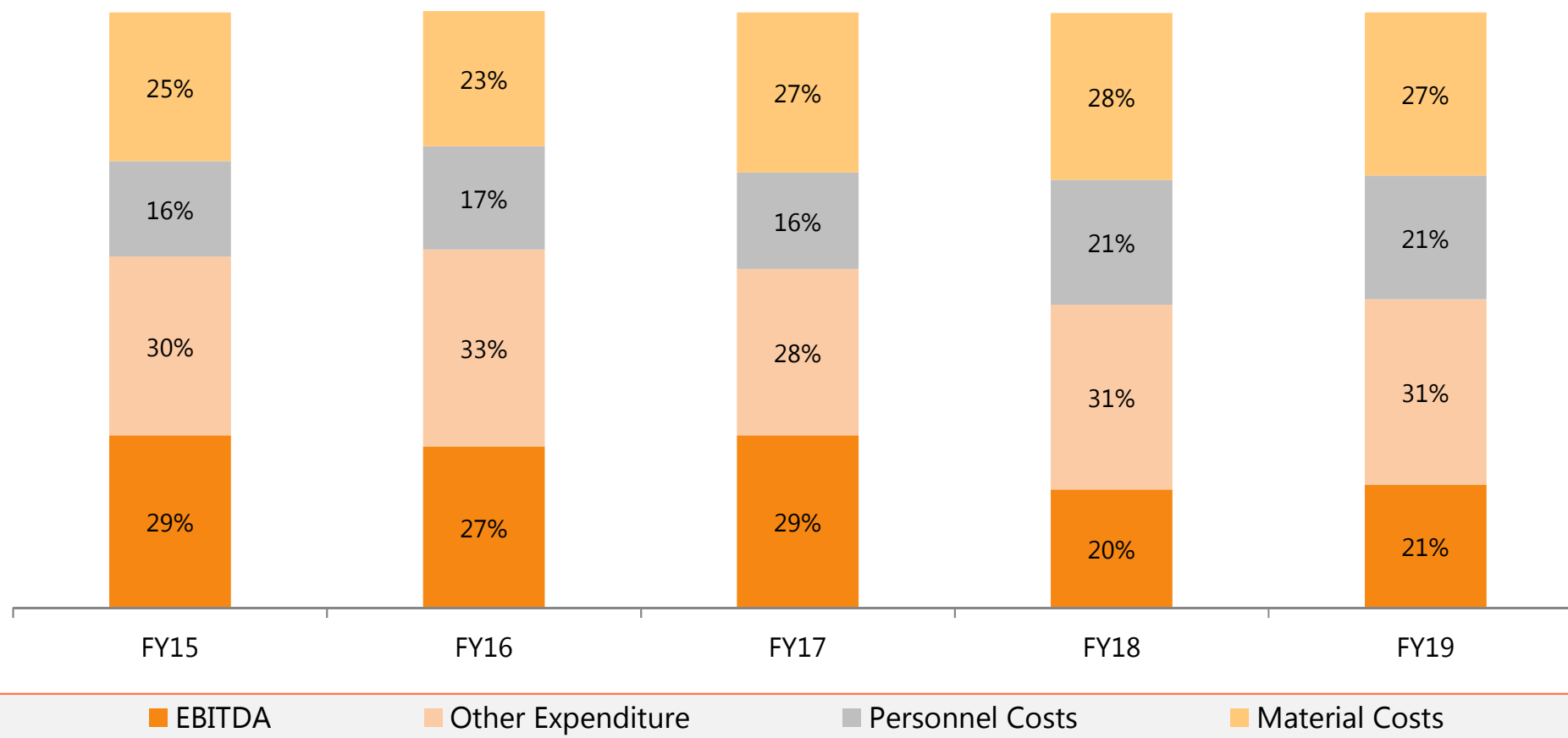
279

303

261

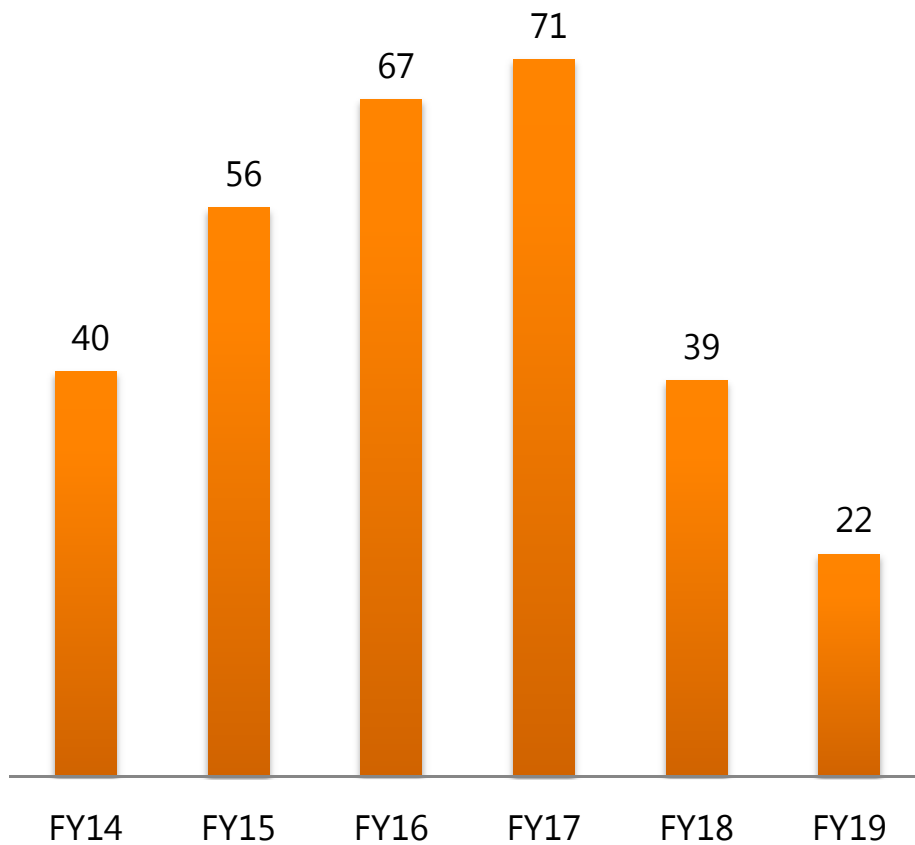
287

% of Sales

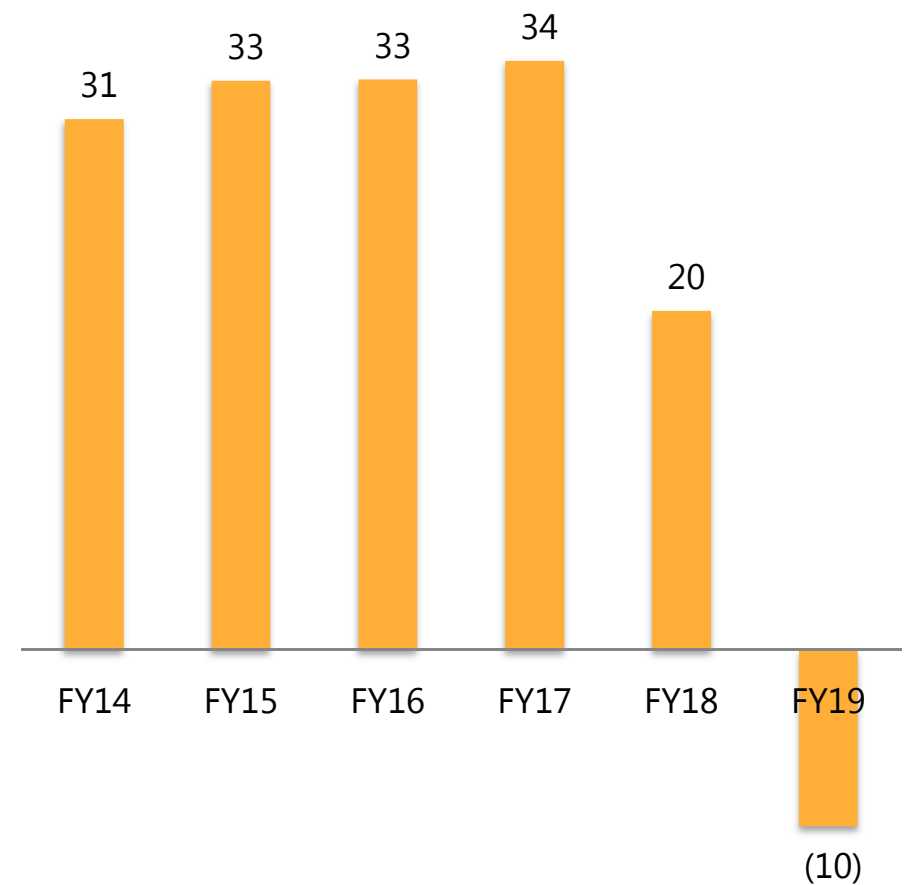


Cash Flow

Net Cash From Operating Activities (Rs Bn)



Free Cash Flow (Rs Bn)



Financial Ratios



| | FY15 | FY16 | FY17 | FY18 | FY19 ^{**} |
|-------------------------------------|---------------------|-------------------|------|---------------------|--------------------|
| Growth (%) | | | | | |
| 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) [#] | 9.5 [#] | 33.1 | (52.6) [#] | 17.5 [#] |
| Margins (%) | | | | | |
| 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 [#] | 18.8 [#] | 23.0 | 12.7 [#] | 13.5 [#] |
| Return (%) | | | | | |
| ROCE | 14.3 | 14.6 | 16.1 | 7.8 | 8.5 |
| ROE | 18.5 | 17.6 | 19.8 | 8.7 | 9.4 |
| Others | | | | | |
| 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 [#] | 21.7 [#] | 28.9 | 13.8 [#] | 16.2 [#] |
| R&D Spend % of Net Sales | | | | | |
| 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

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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 Q2 & H1 FY20



(All Figures in Rs. Mn)

| | Q2 FY20 | Q2 FY19 | CHANGE | H1 FY20 | H1 FY19 | CHANGE |
|------------------------------|---------------|----------------|--------------|-----------------|-----------------|--------------|
| Gross Sales | 79,492 | 68,465 | 16.1% | 1,62,085 | 1,39,853 | 15.9% |
| Gross Profit | 56,813 | 50,888 | 11.6% | 1,14,828 | 1,01,208 | 13.5% |
| Gross Margin | 71.5% | 74.3% | | 70.8% | 72.4% | |
| EBITDA | 16,156 | 14,401 | 12.2% | 34,961 | 29,614 | 18.1% |
| EBITDA Margin | 20.3% | 21.0% | | 21.6% | 21.2% | |
| Net Profit | 10,641 | -2,696 | -494.7% | 24,516 | 7,877 | 211.2% |
| Net margin | 13.4% | -3.9% | | 15.1% | 5.6% | |
| Net Profit (Adjusted) | 10,641 | 9,448 # | 12.6% | 24,516 | 20,021# | 22.5% |
| Net margin (Adjusted) | 13.4% | 13.8% | | 15.1% | 14.3% | |
| R&D | 4,881 | 4,523 | 7.9% | 9,105 | 9,524 | -4.4% |
| R&D as % of Net Sales | 6.1% | 6.6% | | 5.6% | 6.8% | |
| EPS (Diluted) INR | 4.4 | (1.1) | -494.7% | 10.2 | 3.3 | 211.2% |
| EPS (Diluted) INR (Adjusted) | 4.4 | 3.9 # | 12.6% | 10.2 | 8.3 # | 22.5% |

: Adjusted Rs 12.1 bn for Q2 & H1 FY19 provision related to Modafinil settlement in US.

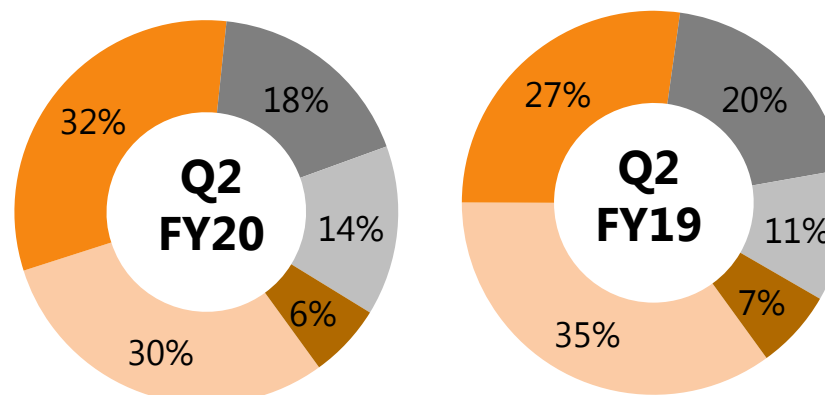
Sales Breakup Q2 & H1 FY20



(All Figures in Rs. Mn)

| | Q2 FY20 | Q2 FY19 | CHANGE | H1 FY20 | H1 FY19 | CHANGE |
|--------------------|---------------|---------------|------------|-----------------|-----------------|------------|
| Formulation | | | | | | |
| India | 25,148 | 18,597 | 35% | 48,284 | 40,117 | 20% |
| US | 23,898 | 23,979 | 0% | 53,372 | 49,416 | 8% |
| Emerging Markets | 14,117 | 13,720 | 3% | 27,603 | 26,808 | 3% |
| ROW | 11,371 | 7,615 | 49% | 22,962 | 14,793 | 55% |
| <i>Sub-total</i> | 74,533 | 63,912 | 17% | 1,52,221 | 1,31,133 | 16% |
| Bulk | 4,681 | 4,263 | 10% | 9,293 | 8,204 | 13% |
| Others | 278 | 291 | -4% | 571 | 515 | 11% |
| Gross Sales | 79,492 | 68,465 | 16% | 1,62,085 | 1,39,853 | 16% |

- 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



4th Largest Global Specialty Generic Company *

| | |
|-------------------------|---|
| US | <ul style="list-style-type: none">• Ranked 8th in US^{##} / Largest Indian Pharma Company in US |
| India | <ul style="list-style-type: none">• No. 1 Pharma Company in India |
| Emerging Markets | <ul style="list-style-type: none">• Amongst the largest Indian Pharma Company in Emerging Markets |
| Rest of World | <ul style="list-style-type: none">• Expanding presence in Rest of World |
| Manufacturing Footprint | <ul style="list-style-type: none">• 43 manufacturing sites across the world |
| Market Presence | <ul style="list-style-type: none">• Presence in more than 100 countries across branded and generic markets |
| Product Portfolio | <ul style="list-style-type: none">• Portfolio of more than 2,000 products across the world |
| Employees | <ul style="list-style-type: none">• 32,000+ global employee base |
| Quality Compliance | <ul style="list-style-type: none">• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA |
| R&D and Manufacturing | <ul style="list-style-type: none">• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules |
| Addressable Segments | <ul style="list-style-type: none">• Specialty products, branded generics, complex generics, pure generics & APIs |

*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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