



# Creating Lasting Value

Investor Presentation – May 2018



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

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# Disclaimer

Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. Sun Pharmaceutical Industries Limited does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

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# Sun Pharma at a glance



## 5<sup>th</sup> Largest Global Specialty Generic Company

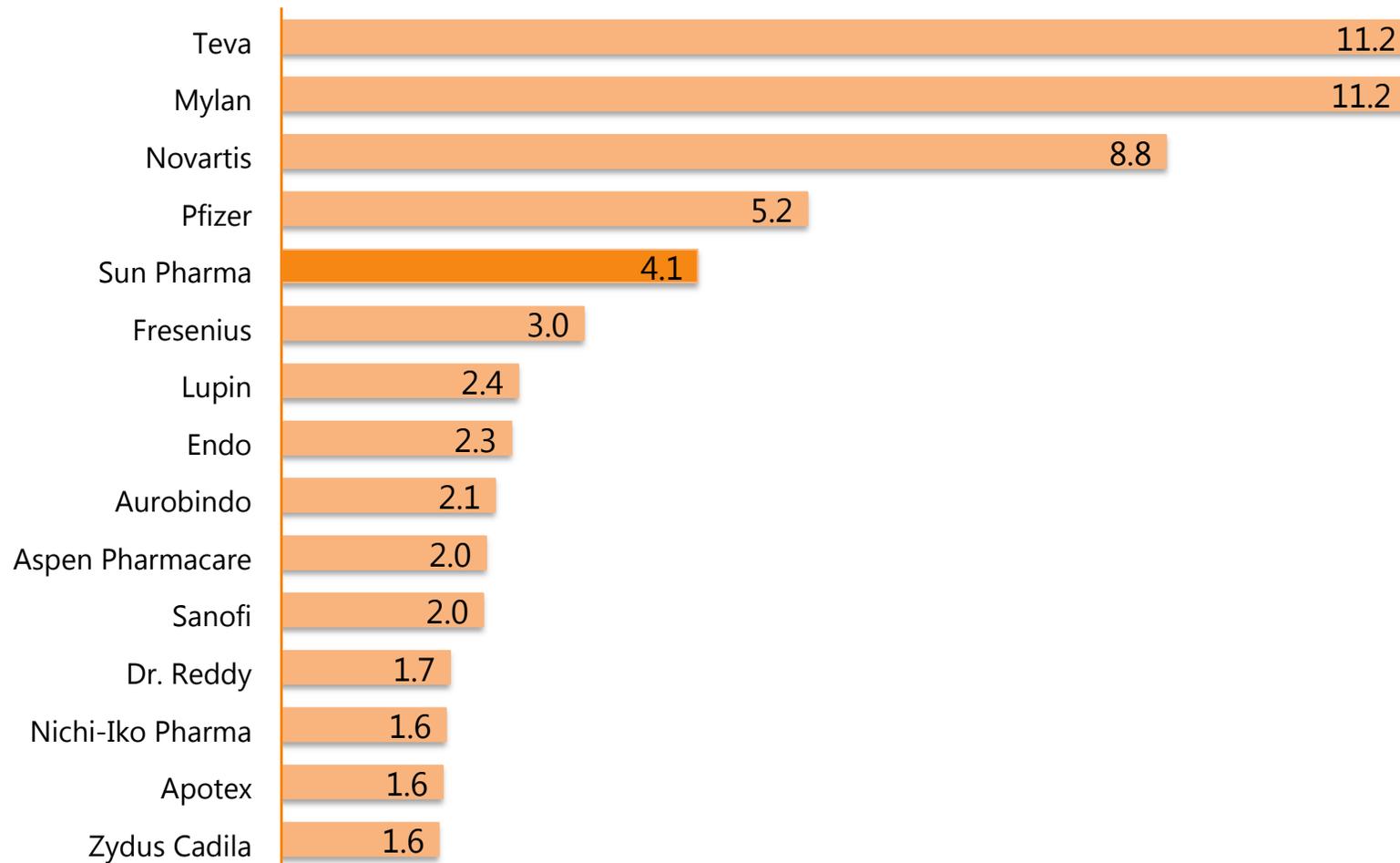
US	<ul style="list-style-type: none"><li>• Ranked 5<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Amongst the largest Indian Pharma Company in Emerging Markets</li></ul>
Europe	<ul style="list-style-type: none"><li>• Expanding presence in Europe</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 41 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 150 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>• 30,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple 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 2017

# World's 5th Largest Specialty Generic Pharma Co



2017 Worldwide Generic Sales (US\$ in billions)



Source: Evaluate Pharma Estimates for 12 months ended Dec 2017

# Sun Pharma today



## US Formulations

- 5<sup>th</sup> largest generics company in US\* with a strong pipeline (139 ANDAs & 3 NDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 422 approved products
- FY18 sales: US\$ 1,357 mn <sup>(2)</sup>

## India Branded Generics

- No.1 ranked with 13 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY18 sales: US\$ 1,246 mn <sup>(2)</sup>



## Emerging Markets

- Presence in over 100 countries across Africa, Americas, Asia and Eastern & Central Europe
- Key focus markets – Brazil, Mexico, Russia, Romania, South Africa, and complementary & affiliated markets
- FY18 sales: US\$ 751 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
- FY18 sales: US\$ 461 mn <sup>(2)</sup>

Note:

(1) As of May, 31, 2018 using spot exchange rate of INR /USD = 67.62

(2) Using average exchange rate for FY18 of INR /USD = 64.46

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

All sales numbers in US\$ for 12 months ended March 31, 2018.

\* Source: Evaluate Pharma Estimates for 12 months ended Dec 2017

# 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

- Vertically integrated operations
- Optimize operational costs



- 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

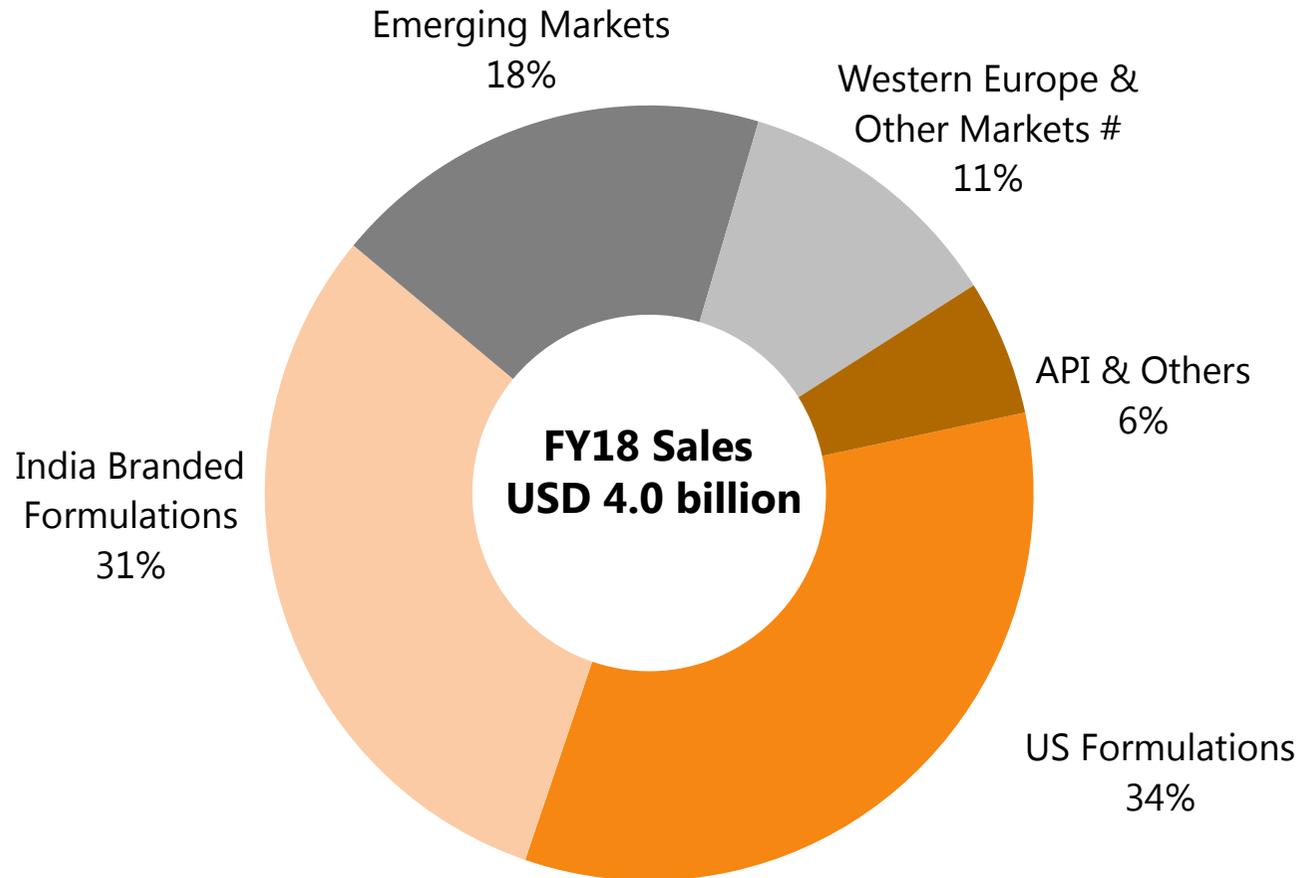
# Our Specialty Initiatives



## Ramping up Specialty Pipeline

- In-licensed Ilumya (a monoclonal antibody targeting IL-23) from MSD for treating chronic plaque psoriasis- Biologics License Application (BLA) Filed with US FDA and EMA for European market. USFDA approval received in March 2018. Launch preparations are ongoing.
- Acquired Ocular Technologies – Gives access to global rights for OTX-101 – for treating Dry Eye Disease. Announced positive results from confirmatory Phase-3 trials in Jan'17. Filed NDA with USFDA in Q3 FY18. Evaluate other markets for filing OTX-101.
- Acquired branded oncology product – Odomzo – in Dec'16. Product is approved in 30 countries globally including US, Europe and Australia. Currently marketed in US and Germany.
- Launched BromSite – first specialty ophthalmology product in US in Nov'16
- Acquired Dusa Pharma in US – Access to patented drug-device combination useful for treating Actinic Keratosis, a dermatology ailment
- Acquired InSite Vision - Focuses on developing new specialty ophthalmic products, has three late stage programs.
- In-licensed Xelpros (ophthalmology) and Elepsia (CNS) products from SPARC
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases

# Highly Diversified Revenue Base

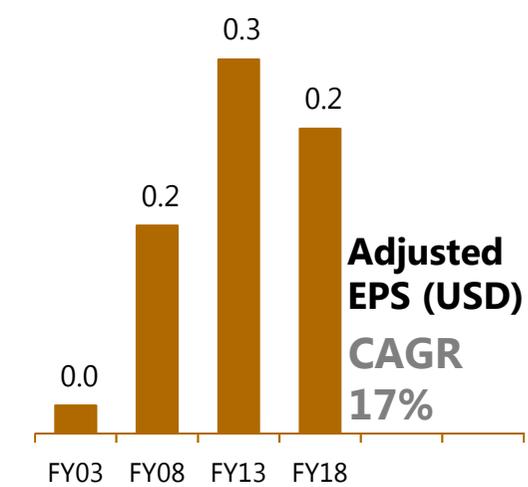
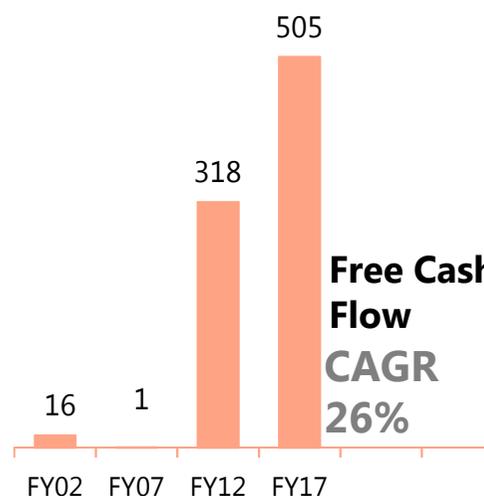
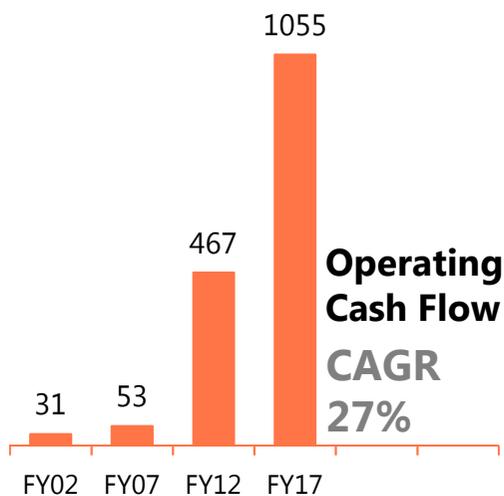
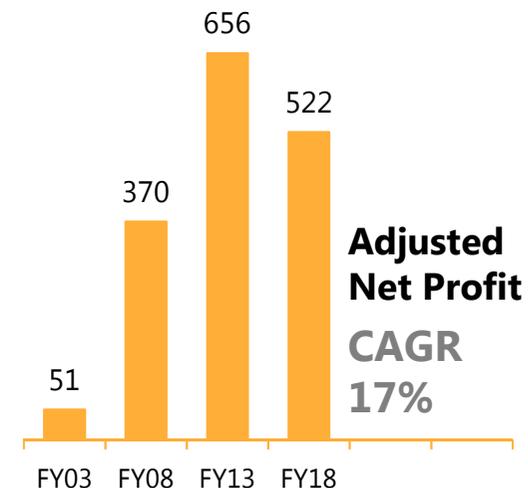
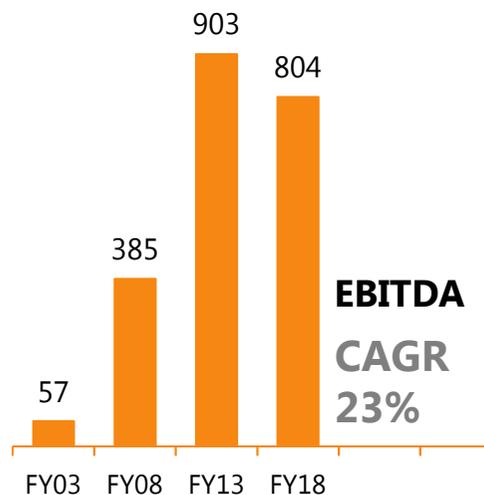
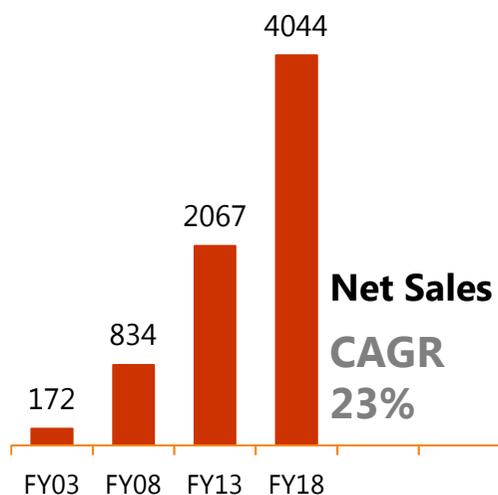


# Includes Western Europe, Canada, Japan , Australia, New Zealand and other markets.

# Impressive Track Record of Growth



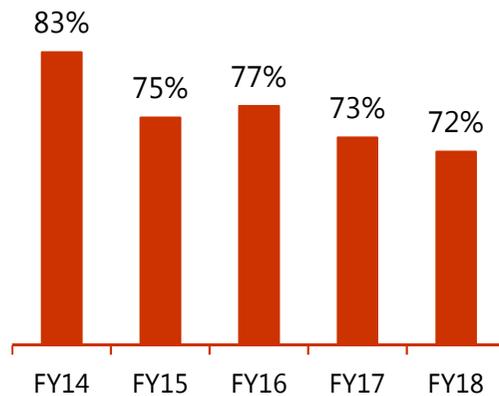
(All Figures in USD Million)



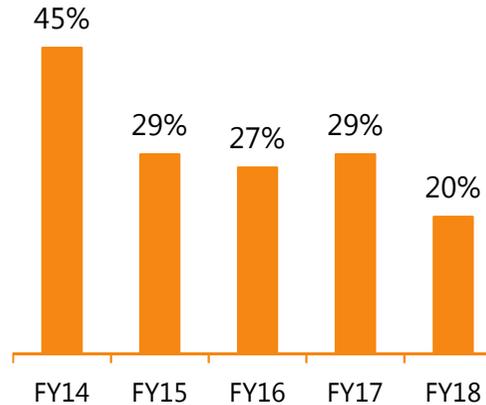
# Consistent profitability and returns



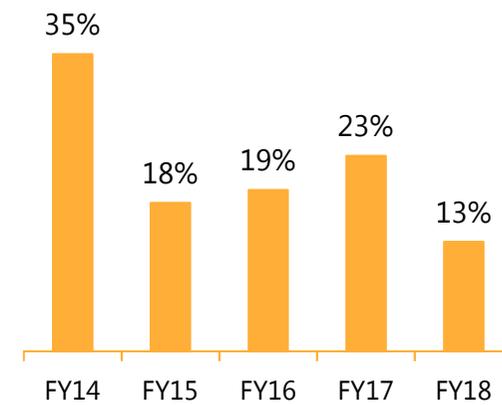
### Gross Margin #



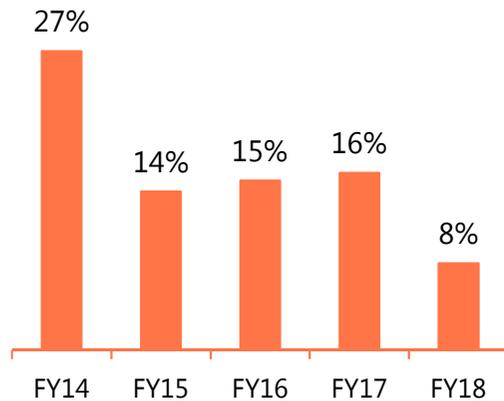
### EBITDA Margin



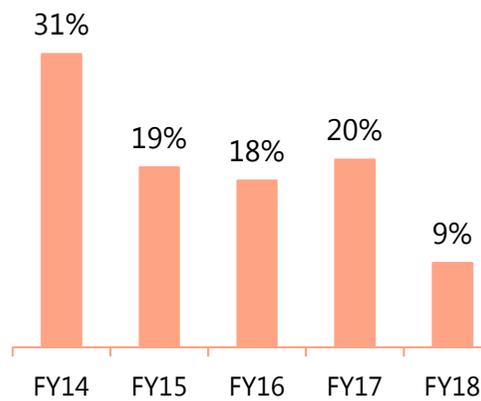
### Net Margin (adjusted)



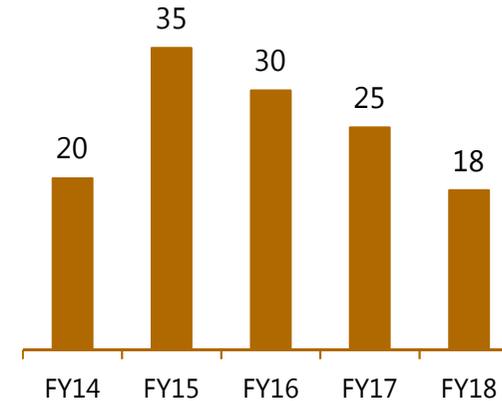
### ROCE



### ROE



### Market Cap (USD Bn)



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

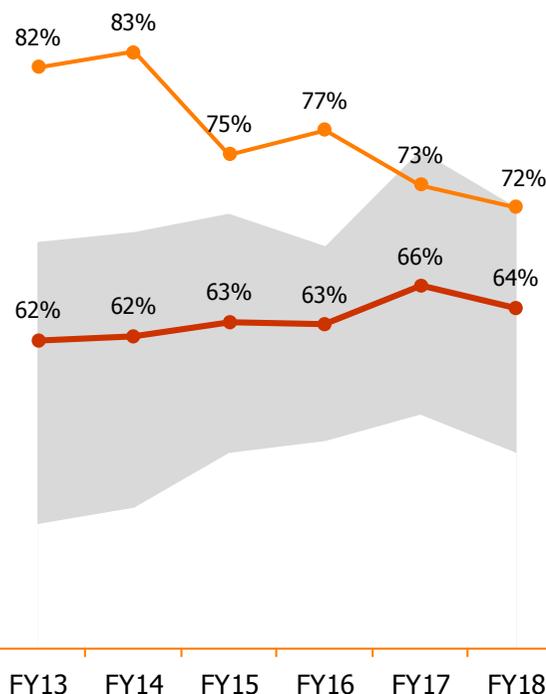
(Market Cap as on 31st March )

# Sustained Profitability Vs. Peers

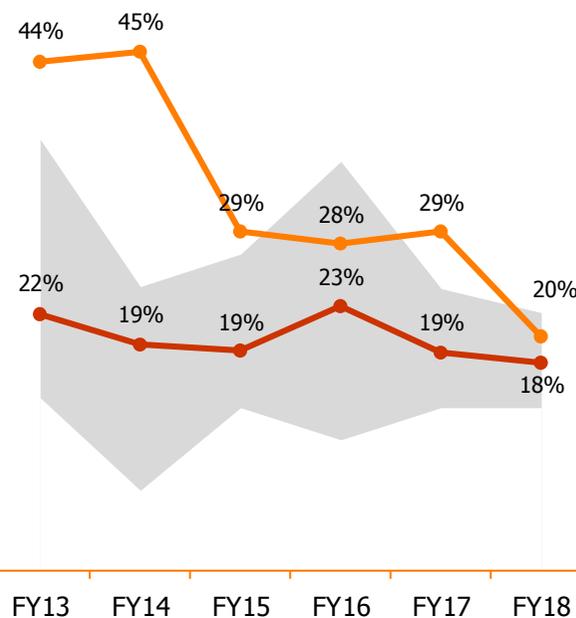
Superior business model

Margins consistently higher than peers#

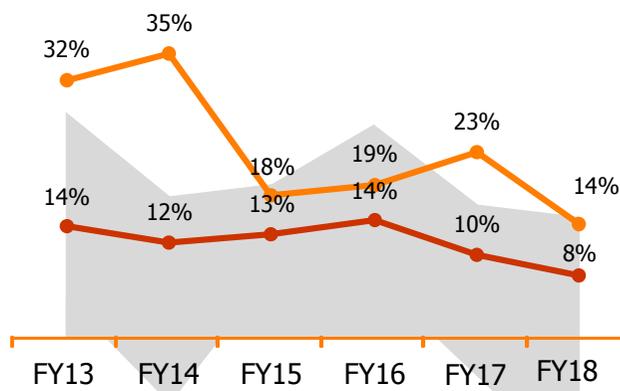
## Gross Margin



## EBITDA Margin



## Net Margin

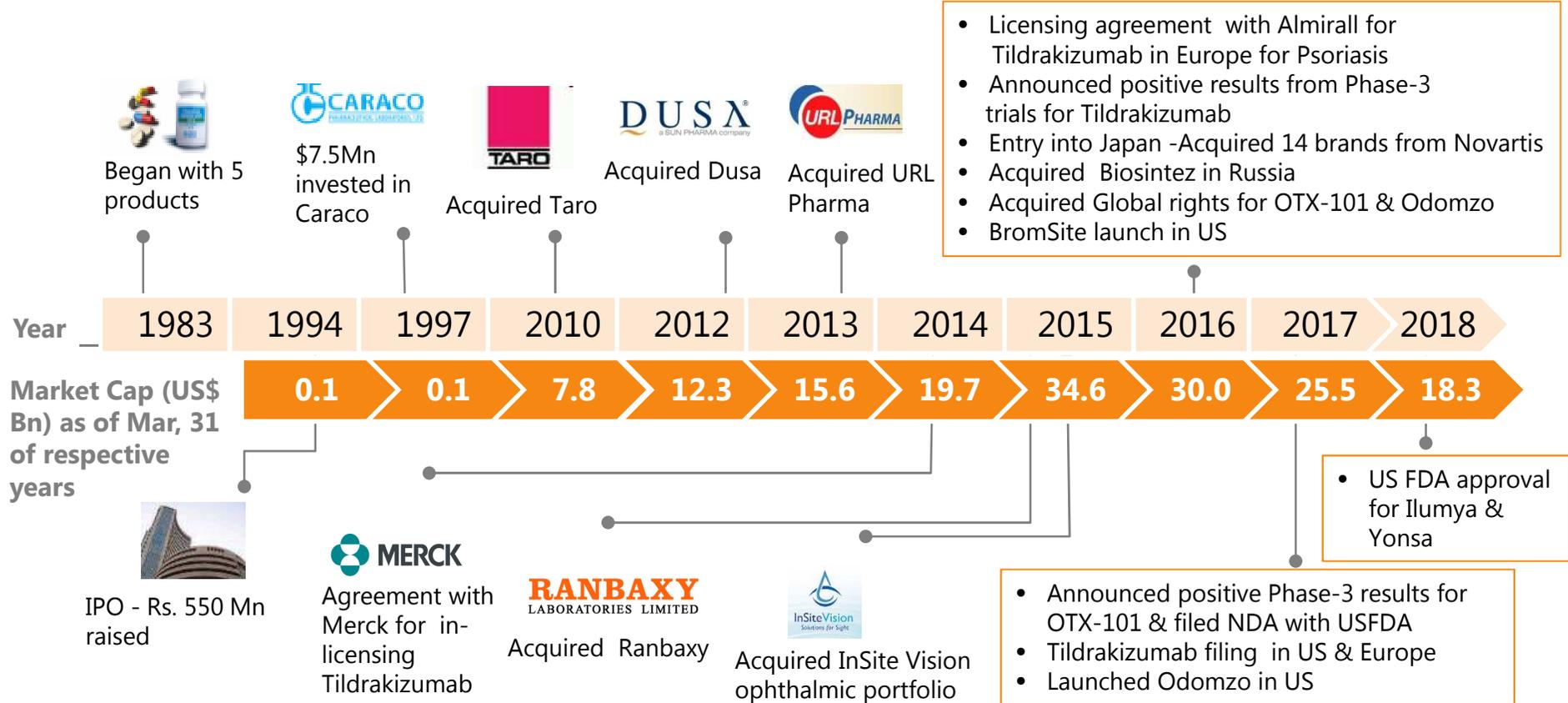


Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

—●— Sun Pharma    ■ Range of Top 10 Indian Pharma Cos.    —●— Average

#Top 10 Indian Pharma company include Aurobindo, Cadila Healthcare, Cipla, DRL, Ranbaxy, Glenmark, Ipca, Lupin, Torrent and Wockhardt.

# Creating Value, Continuously...



- Licensing agreement with Almirall for Tildrakizumab in Europe for Psoriasis
- Announced positive results from Phase-3 trials for Tildrakizumab
- Entry into Japan - Acquired 14 brands from Novartis
- Acquired Biosintez in Russia
- Acquired Global rights for OTX-101 & Odomzo
- BromSite launch in US

- US FDA approval for Ilumya & Yonsa

- Announced positive Phase-3 results for OTX-101 & filed NDA with USFDA
- Tildrakizumab filing in US & Europe
- Launched Odomzo in US

## Sun Pharma Today



30,000+ Employees



Invested over USD 2 Bn in R&D till date



Part of NSE Nifty & BSE Sensex in India



41 Manufacturing facilities in 6 Continents



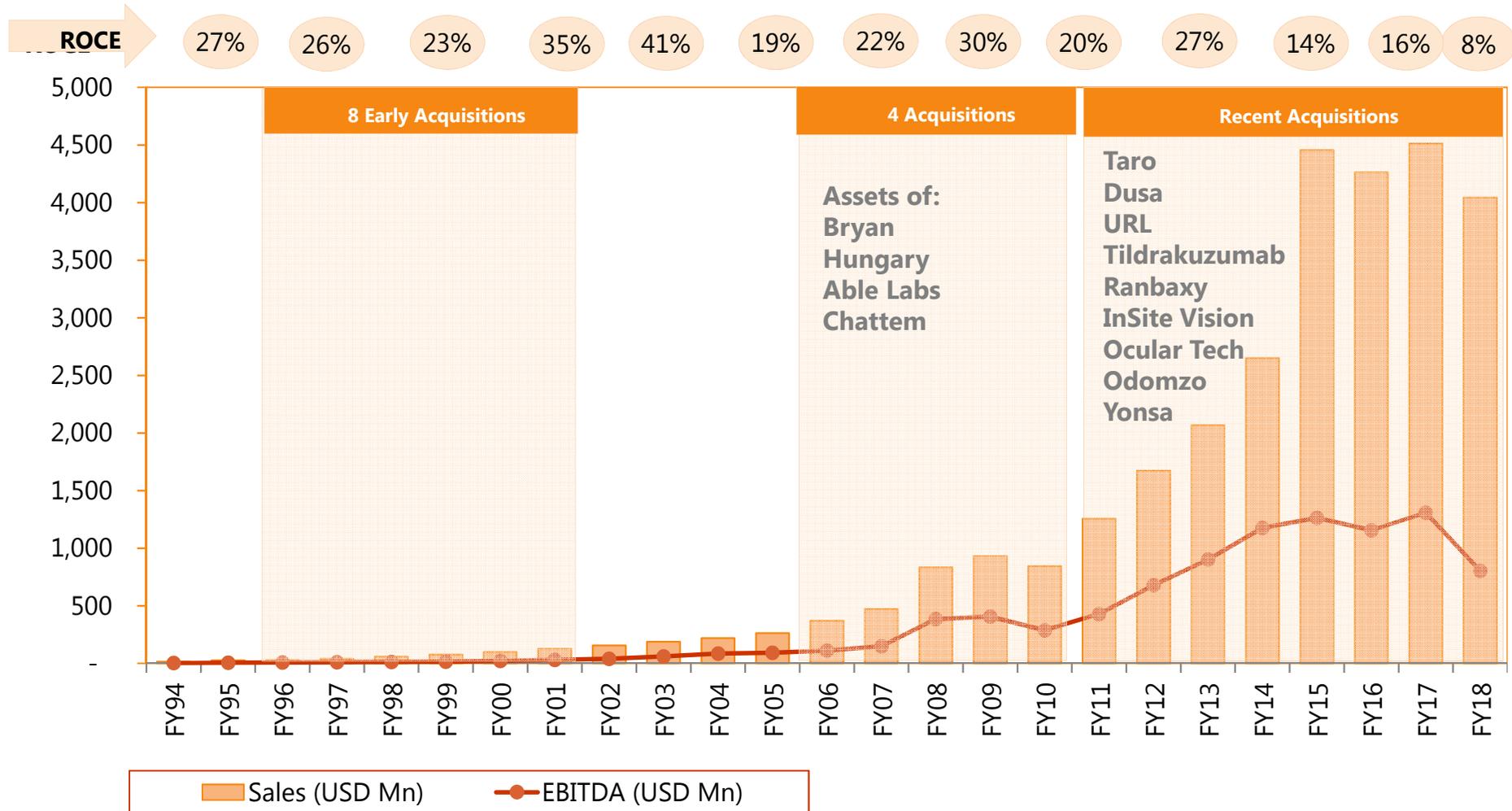
68% of sales from international markets

# Key Deals & Rationale

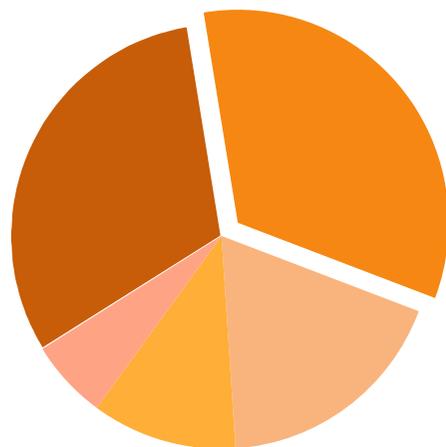


Year	Deals	Country	Rationale
2016	Acquired global rights for OTX-101 & Odomzo	Global	Enhances specialty pipeline.
2016	Acquired Biosintez	Russia	Local manufacturing capability to enhance presence in Russian market
2016	Licensing agreement with Almirall for Tildrakizumab for Psoriasis	Europe	Strengthening the distribution of Tildrakizumab in Europe
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 dipagliflozin, used for diabetes treatment)
2015	Acquired InSite Vision Inc.	US	Strengthens branded ophthalmic portfolio in U.S.
2015	Acquisition of GSK's Opiates Business	Global Markets	Vertical Integration for controlled substances business
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	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 Pharmedica	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
2013	Acquired URL's generic business	US	Adds 107 products to US portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded derma product
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Dermatology & Topical Product Manufacturing Plant at Israel & Canada
1997	Acquired Caraco	Detroit, US	Entry into US Market

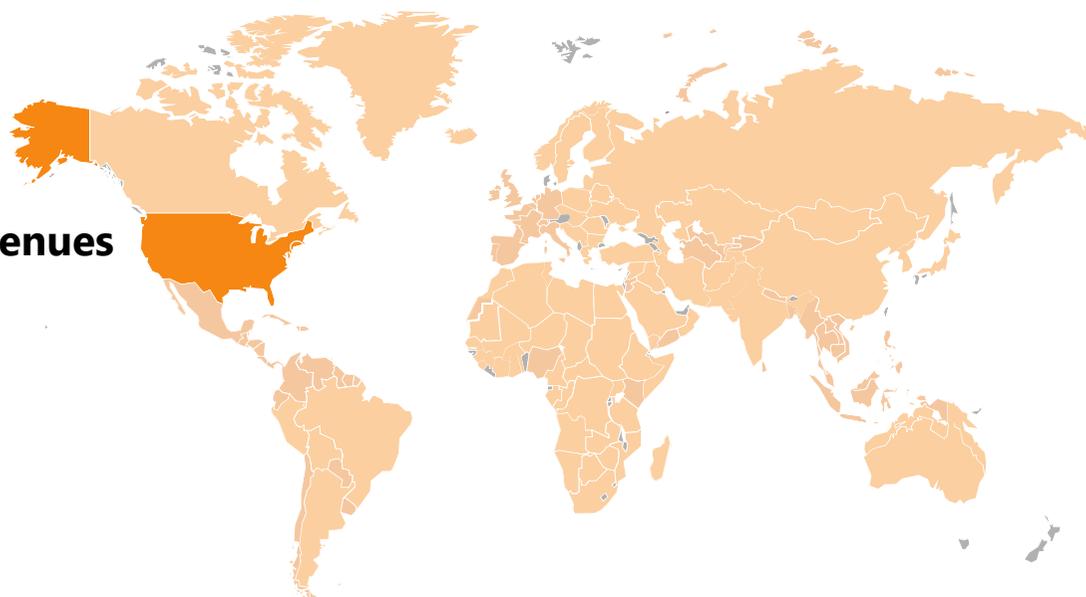
# Successful track record of turning around acquisitions



# US Business



**34% of Revenues**



# US Business at a glance

5<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 561 ANDAs & 42 NDAs filed and 422 ANDAs & 39 NDAs approved across multiple therapies

## Robust Pipeline

- 139 ANDAs & 3 NDAs pending FDA approval, including a combination of complex generics, FTF opportunities and pure generics

## Market Presence

- Presence in generics, branded & OTC segments

## Flexible Manufacturing

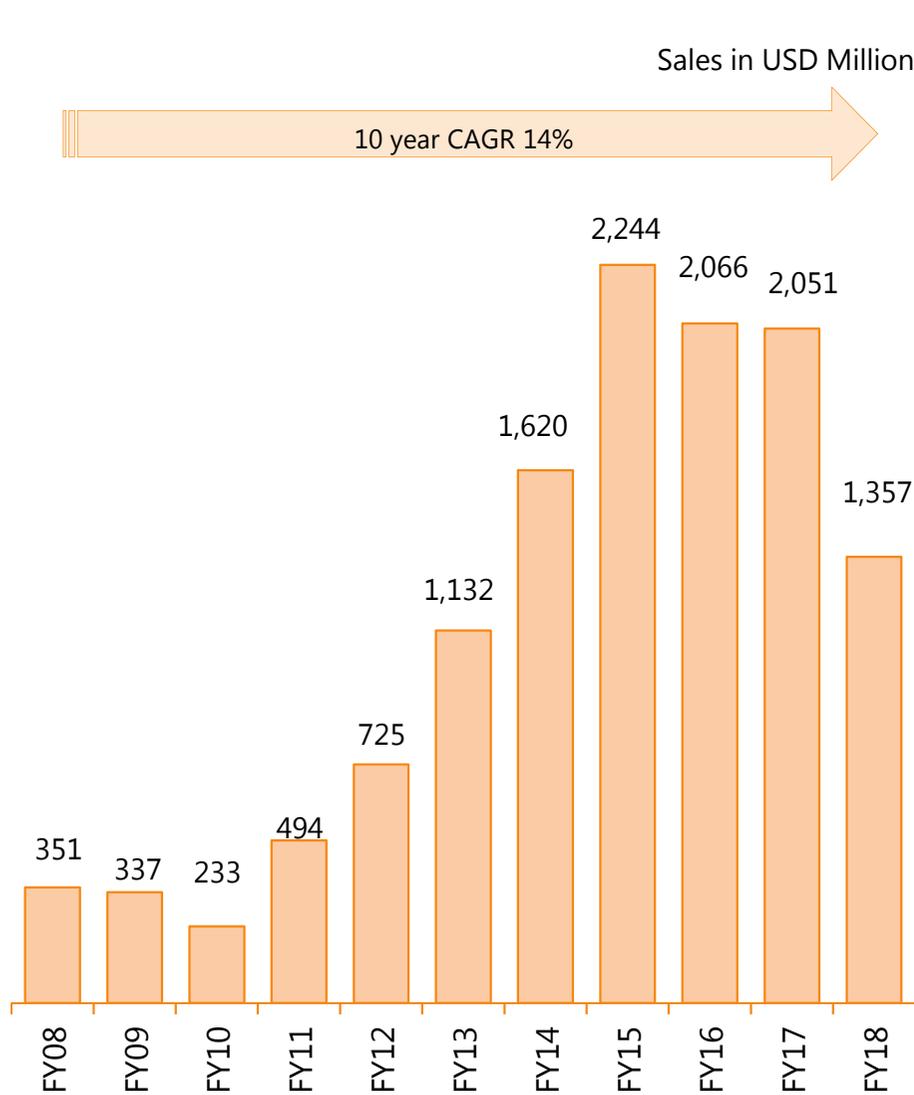
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

\* Source: Evaluate Pharma Estimates for 12 months ended Dec 2017

# US Business – Sales buildup & Key milestone



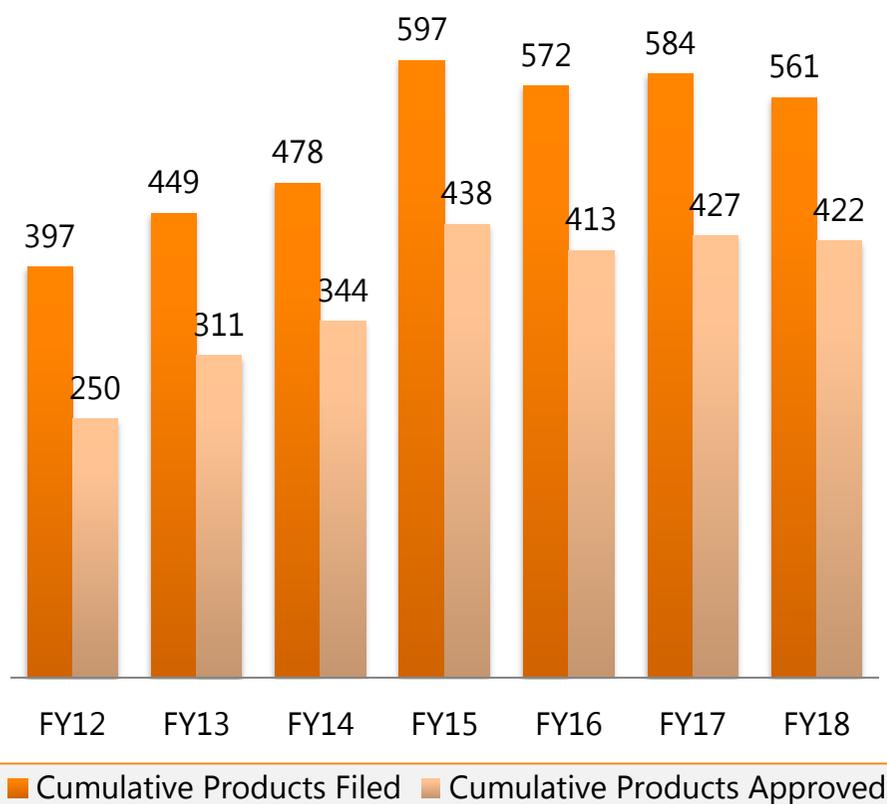
## Key Milestones in US

- FY98**
  - Entry in US through Caraco acquisition
- FY10**
  - Acquired Taro Pharma – Entry into US dermatology market
- FY13**
  - Acquired DUSA - Entry in branded specialty market
- FY13**
  - Acquired URL's generic business
- FY14**
  - Acquired Pharmalucence -access to sterile injectable capacity
- FY16**
  - Acquired InSite Vision – Strengthen ophthalmic portfolio
- FY17**
  - Tildrakizumab filing in US & Europe market
  - Acquired Ocular Technologies giving access to OTX-101, a product for treating dry eyes.
  - Launched BromSite in US
  - Acquired Odomzo- branded oncology product from Novartis
- FY18**
  - Launched Odomzo in US
  - Settlement of Patent Litigation for Generic Linzess® in US
  - US FDA approval for Ilumya

# ANDA Pipeline - Significant ramp up

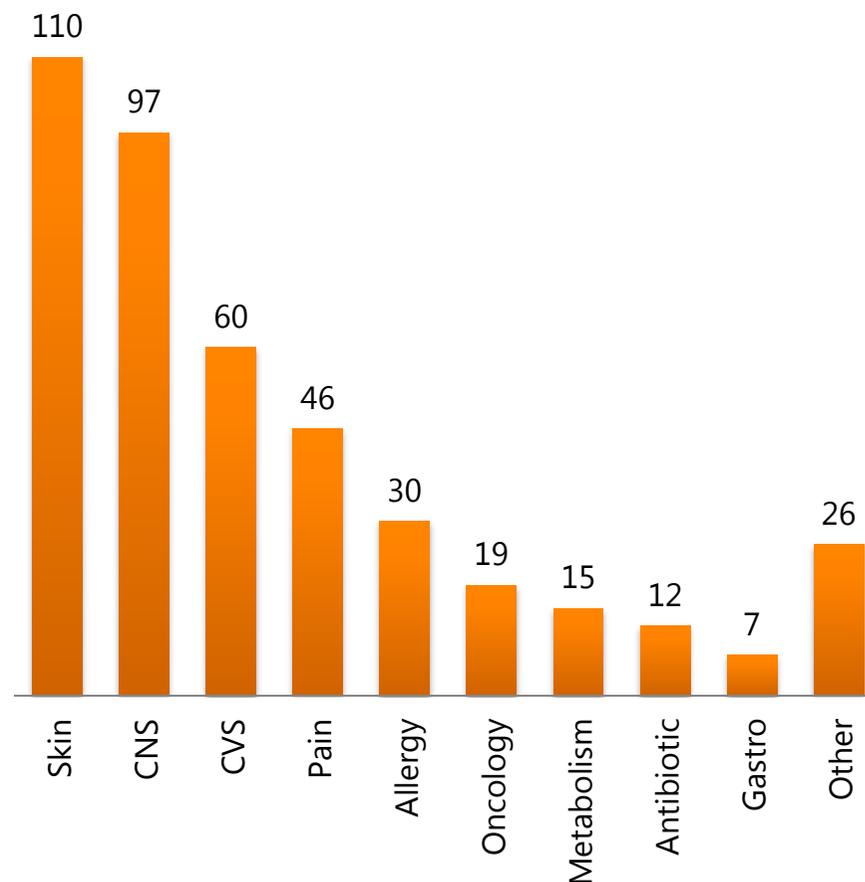


## ANDAs Filed and Approved



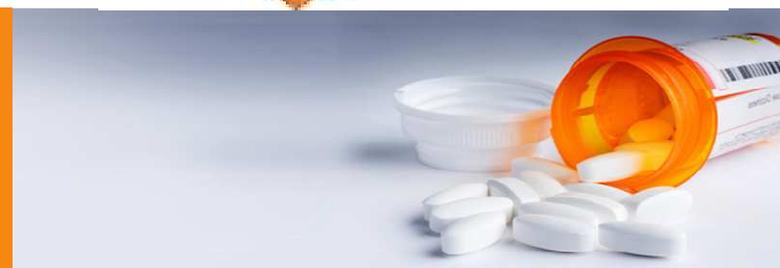
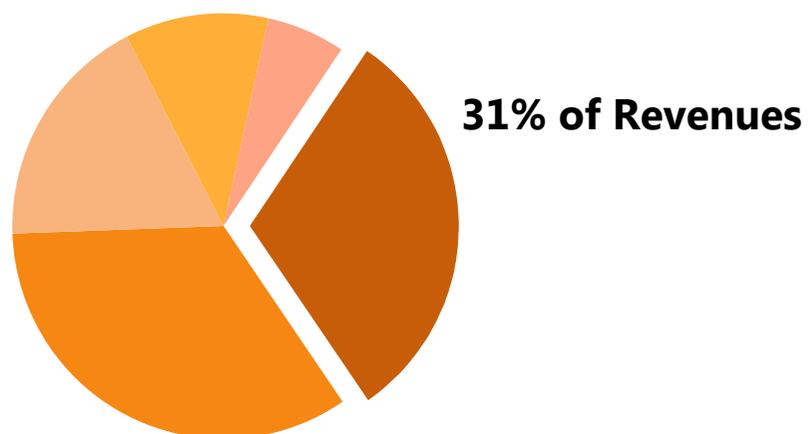
(Cumulative no's for FY16 are lower than FY15 due to Bryan facility divestment. Taro numbers added since Mar 2011, URL numbers added since Mar 2013 & Ranbaxy numbers added for March'15)

## 422 ANDA Approvals by Therapeutic Area



(As of March'18)

# India Branded Generic Business



# India Business at a glance

## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.5% market share
- Growth of 6%, in line with average industry growth

### Prescription Ranking##

- No. 1 ranked by prescriptions with 13 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\*\*

- 32 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

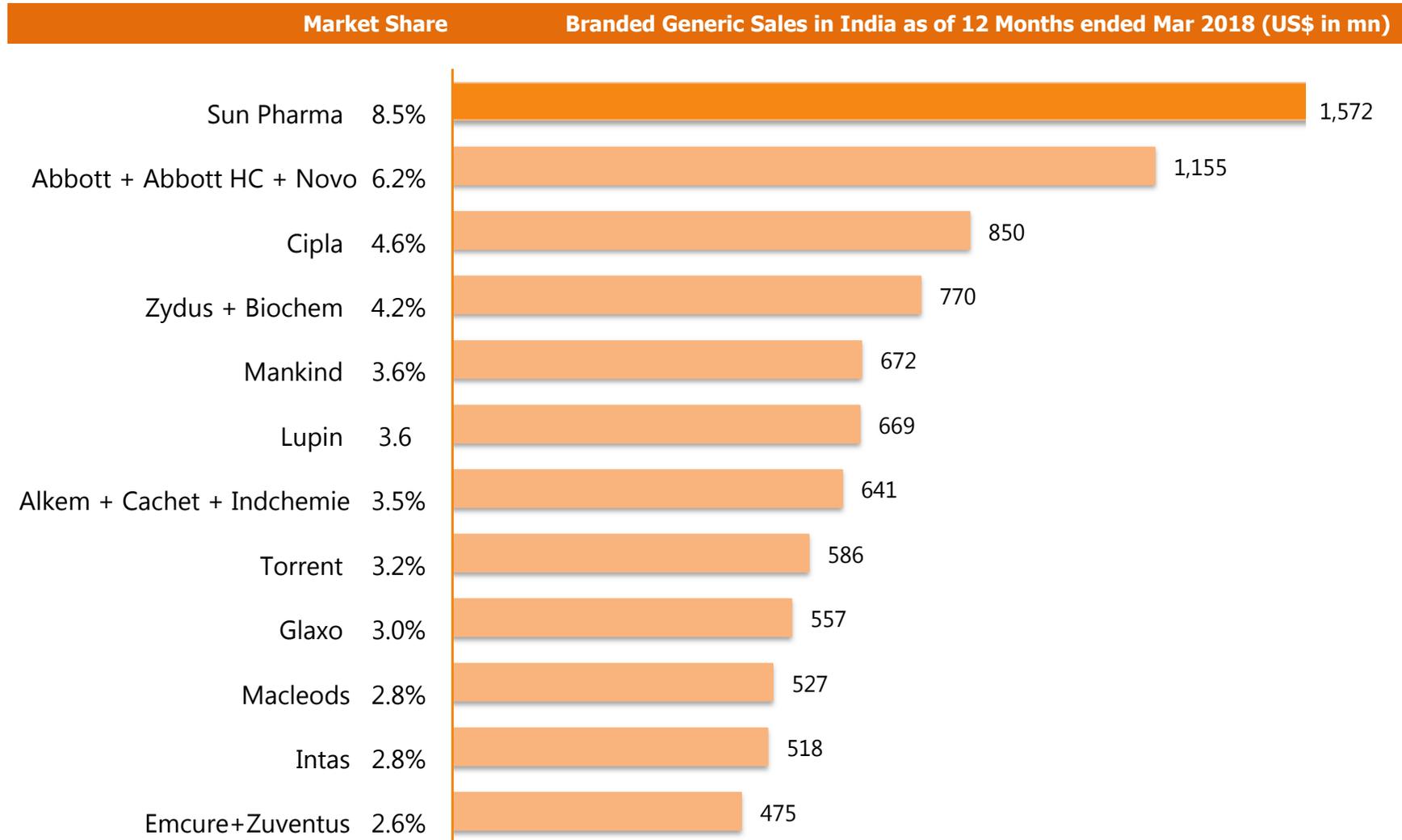
- 9,200+ strong field force covering over 600,000\* doctors

\*\* - As per AIOCD AWACS data for 12 months ended March'18

## - As per SMSRC data for Feb'18

\* Does not exclude overlaps

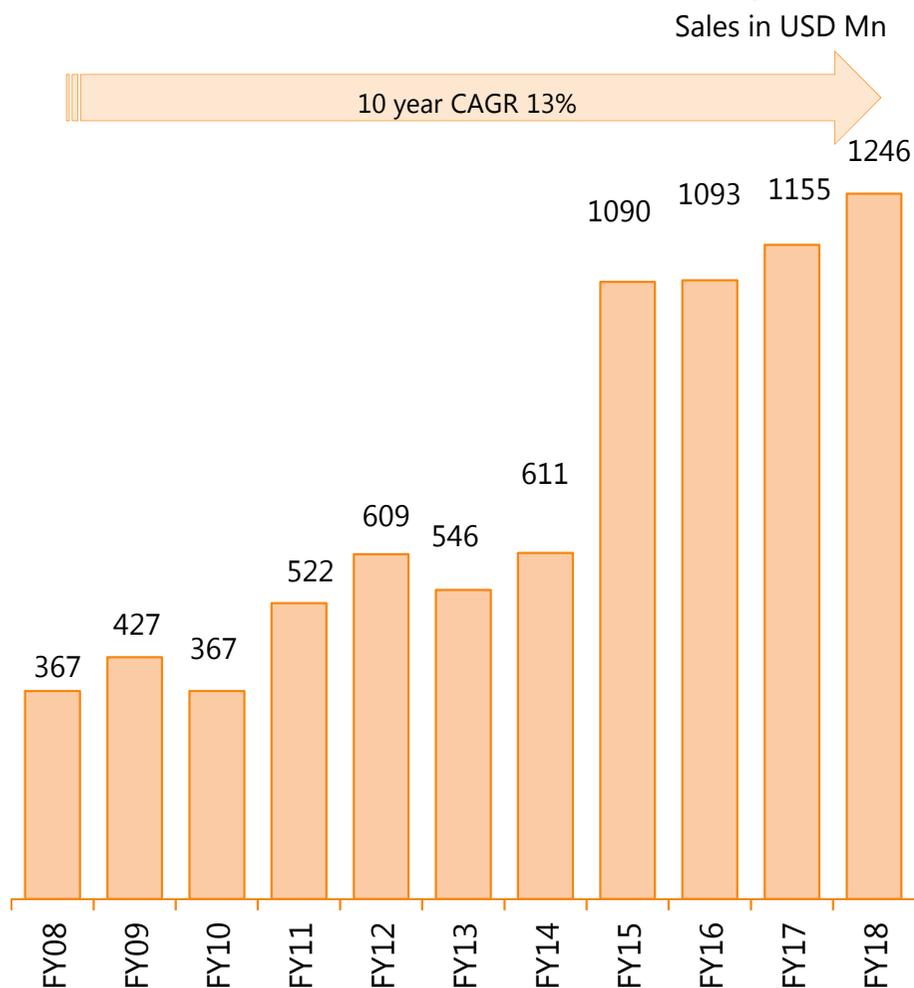
# Largest Pharma Company in India



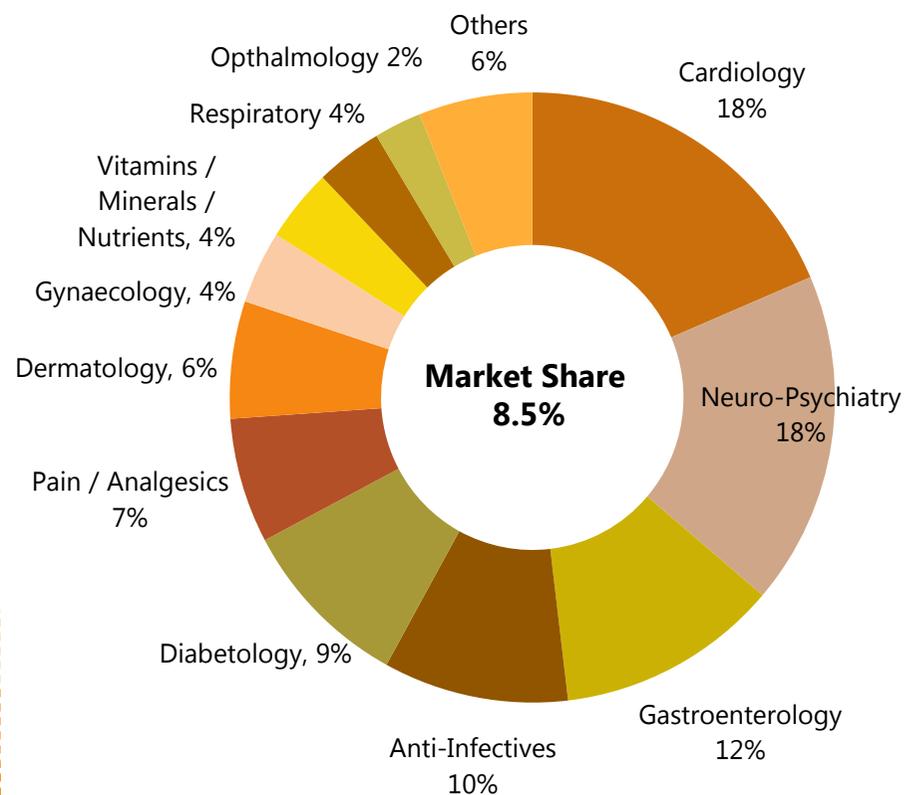
Source: AIOCD AWACS MAT Mar 2018 data converted at average of Rs. 64.46/US\$

# India Business – Sales ramp-up

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



## Therapeutic Revenue Break-up



As per AIOCD AWACS – March '18

# Strong Customer Focus Drives Market Share Gains



## Therapy focused marketing

- 9,200+ sales representatives
- Covering over 600,000\* doctors

## Strong increase in market share

- Sun pharma market share has consistently increased from 2.4% in 2000 to 8.0% in 2017 (IMS Data for March'18)

\* Does not exclude overlaps

## Market Share (%) as per IMS Dec MAT

Year -2000	%	Year -2005	%	Year -2010	%	Year -2015	%	Year -2017	%
Sun Pharma	2.4	Sun Pharma	3.3	Sun Pharma	3.7	Sun Pharma	8.0	Sun Pharma	8.0
Cipla	4.7	Cipla	5.1	Cipla	5.4	Cipla	5.2	Cipla	5.2
Lupin	2.0	Lupin	2.2	Lupin	2.7	Lupin	3.2	Lupin	3.5
Cadila	3.8	Cadila	3.7	Cadila	3.7	Cadila	3.4	Cadila	3.2
DRL	2.6	DRL	2.3	DRL	2.3	DRL	2.4	DRL	2.2
Torrent	1.8	Torrent	1.9	Torrent	2.0	Torrent	2.4	Torrent	3.3
Glenmark	1.0	Glenmark	1.2	Glenmark	1.5	Glenmark	2.0	Glenmark	2.2
Wockhardt	2.2	Wockhardt	1.9	Wockhardt	2.0	Wockhardt	1.6	Wockhardt	1.5
Ipca	1.1	Ipca	1.3	Ipca	1.4	Ipca	1.5	Ipca	1.5
Ranbaxy	4.8	Ranbaxy	4.9	Ranbaxy	4.9	Unichem	1.0	FDC	1.0

# Leadership in key therapeutic areas\*

Number 1 Ranking with 13 Doctor Categories\*

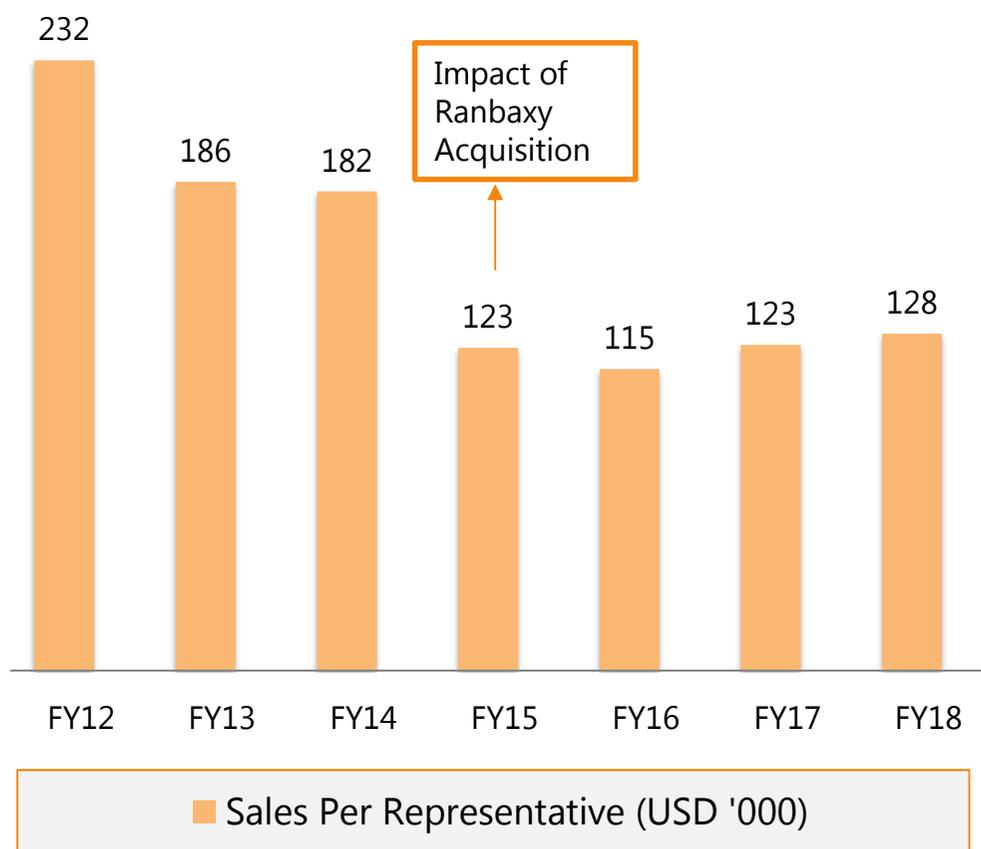
Specialist	Prescription Ranking			
	Feb '15	Feb '16	Feb '17	Feb '18
Psychiatrists	1	1	1	1
Neurologists	1	1	1	1
Cardiologists	1	1	1	1
Orthopaedic	1	1	1	1
Gastroenterologists	1	1	1	1
Nephrologists	1	1	1	1
Diabetologists	1	1	1	1
Consulting Physicians	1	1	1	1
Dermatologists	1	1	1	1
Urologists	1	1	1	1
Oncologists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

\*Ranks based on prescription share

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

# Best-in-class field force productivity

## Sales Per Representative (USD '000)



### Field Force Productivity

Sun  
Pharma

• USD 128,106 / MR

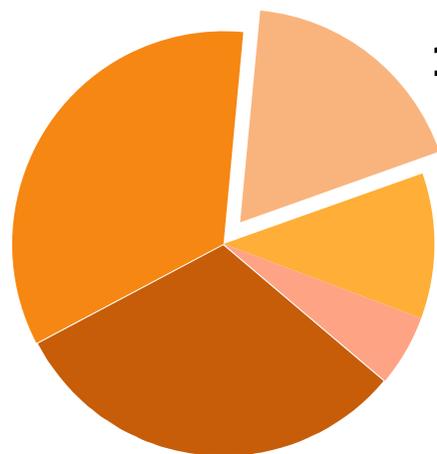
Industry  
Average\*

• USD 89,972 / MR

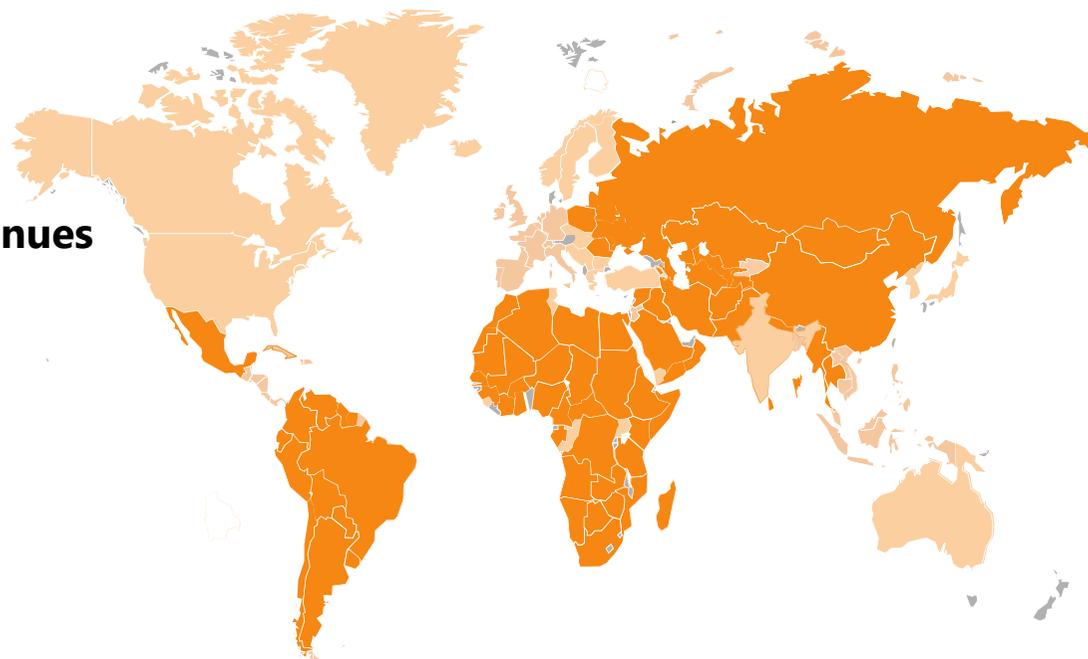
\* Based on brokerage reports

- 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



**18% of Revenues**

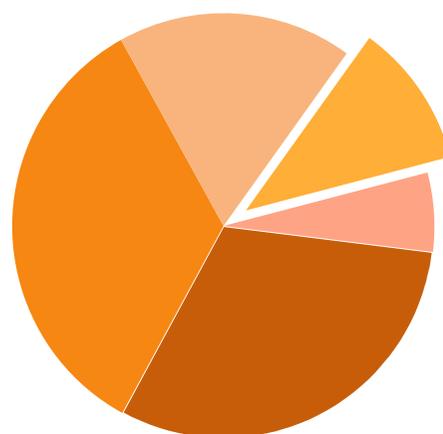


# Emerging Markets Business at a glance

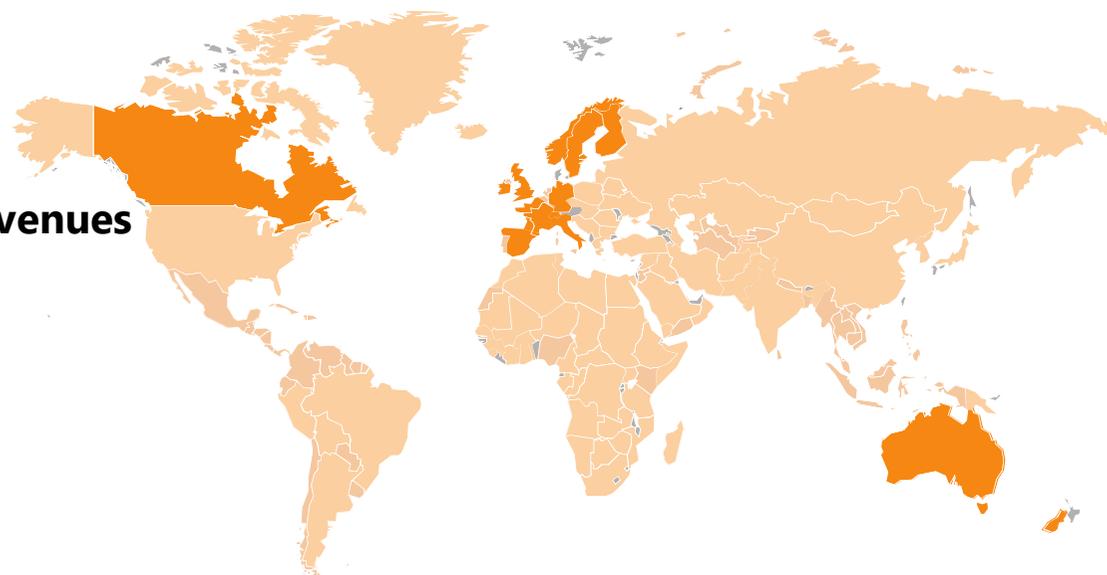
## Largest Indian Company in Emerging Markets

Global footprint	<ul style="list-style-type: none"><li>• Presence in over 100 markets</li></ul>
Focus Markets	<ul style="list-style-type: none"><li>• Brazil, Mexico, Russia, Romania, South Africa and complementary &amp; affiliated markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Extensive basket of branded products</li></ul>
Customer Focus	<ul style="list-style-type: none"><li>• Strong relationships with doctors and medical practitioners</li></ul>
Sales Force	<ul style="list-style-type: none"><li>• Approximately 2,300 Sales Representatives</li></ul>
Opportunity	<ul style="list-style-type: none"><li>• To cross-sell products between Sun Pharma and Ranbaxy marketing infrastructure</li></ul>
Local Manufacturing	<ul style="list-style-type: none"><li>• Across 7 countries</li></ul>
Russia Acquisition	<ul style="list-style-type: none"><li>• Acquired Biosintez to enhance presence in Russian market in Nov' 16 – Gives access to local manufacturing facility.</li></ul>

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



**11% 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, Israel and Hungary + Servicing from India facilities

### Japan Entry

- Acquired 14 established prescription brands from Novartis in March'16

# 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

### Market Focus

- Core markets include. India, Russia, Romania, Nigeria, South Africa & Myanmar
- Growth markets include Ukraine, Poland, Kazakhstan, Thailand & UAE

### Strong Brand Equity

- Enjoy strong brand equity in 4 countries

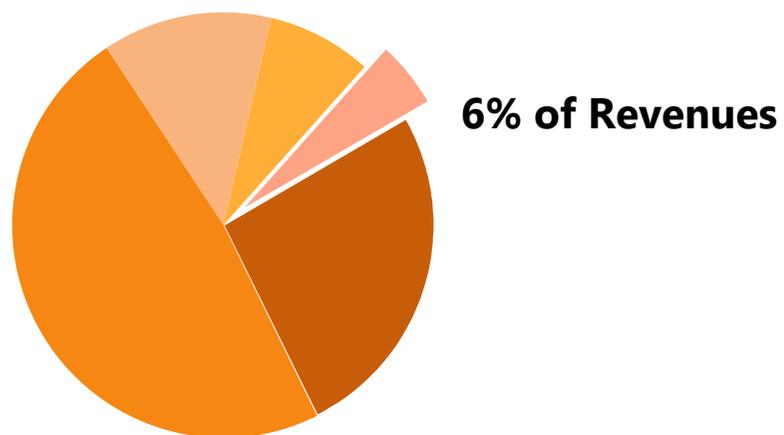
### Sales Force

- 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



# 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

- 291 DMF/CEP approvals to date
- 396 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

### Opiates Business

- Acquired GSK's Opiates business in Australia in Sept'15

# Research & Development



# Research & Development



Cumulative R&D Spend of USD 2.0 billion to date

## R&D Spend

- R&D spend at 8.6% of Net Sales for FY18
- Strong cash flows & large scale to support R&D investments

## Capabilities

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

## Organization

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

## IPR Support

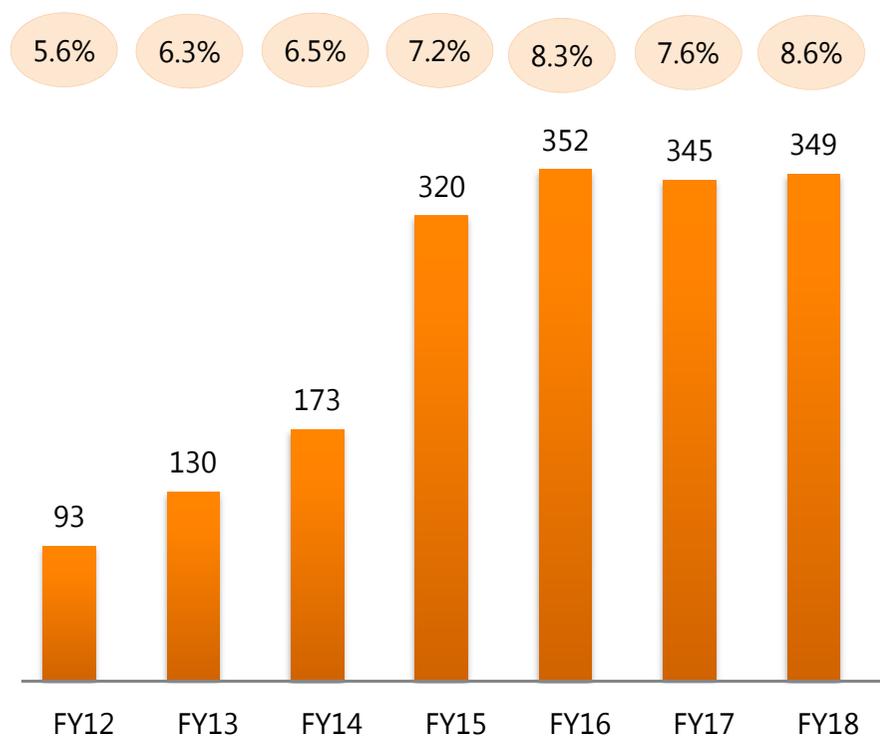
- Strong team of intellectual property experts supporting R&D (internal and external lawyers)

## Focus

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

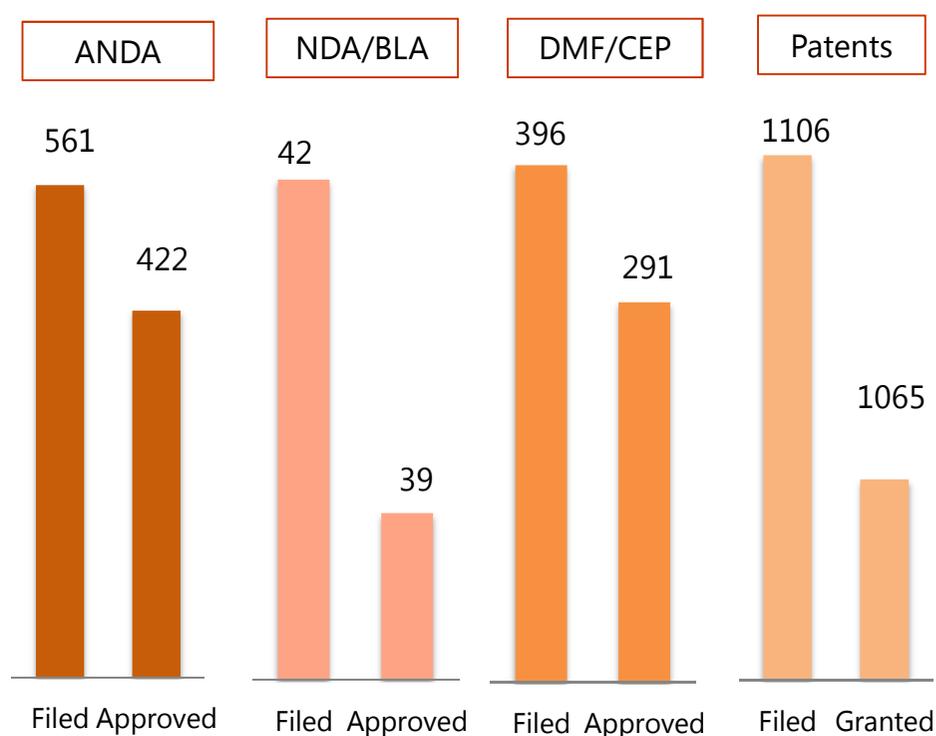
# R&D Investments

## R&D Investments



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

## Filings and Approvals



As of Mar 31, 2018



# Global Manufacturing Presence



# Global Manufacturing Presence



## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 41 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

# Finished Dosage Manufacturing



## 27 Finished dosage manufacturing sites

- India : 13, US : 4
- 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

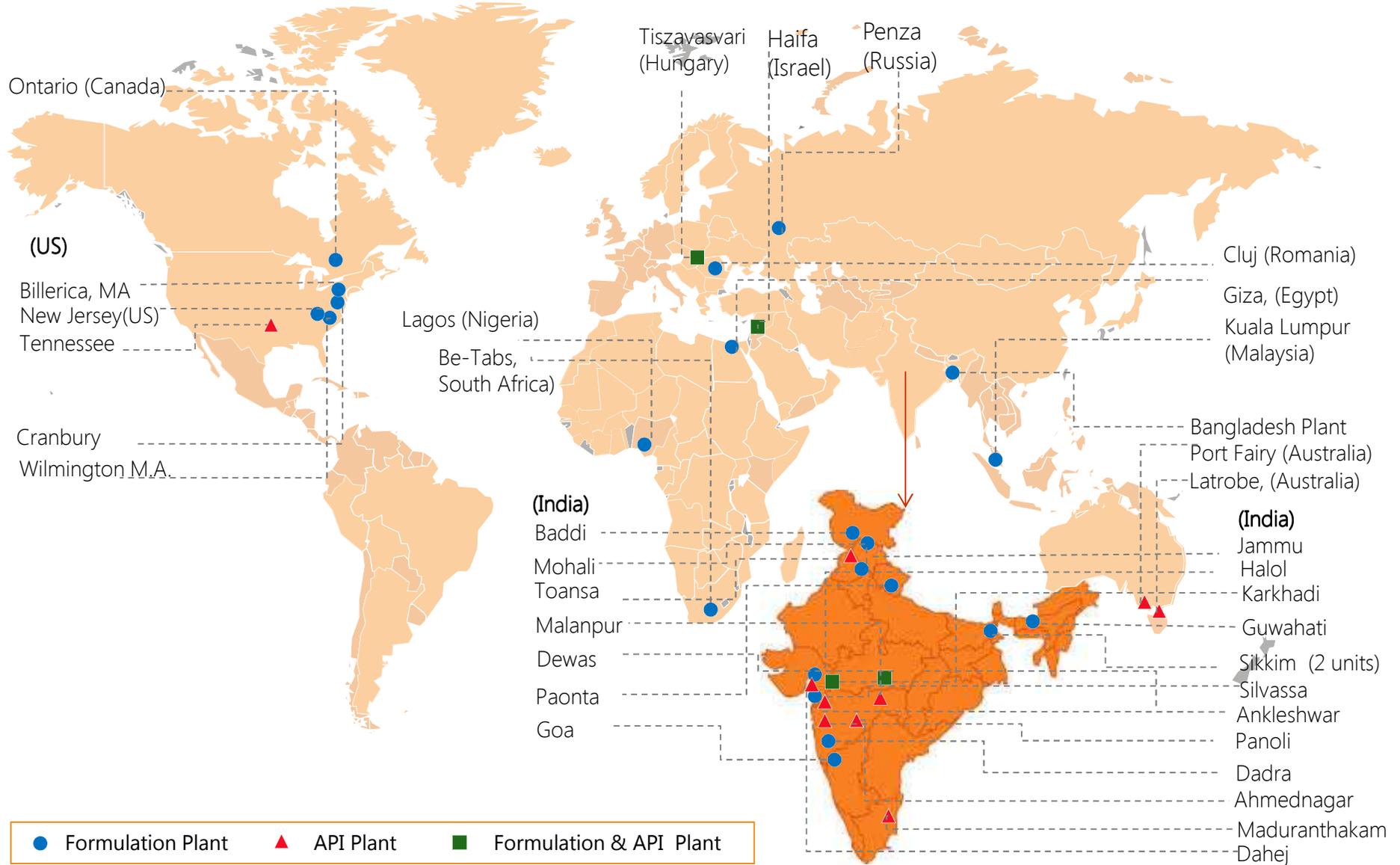
### Injectables / Sterile

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

### Topicals

- Creams
- Ointments

# Global Manufacturing Footprint



# 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



## Chairman



### **Israel Makov**

Former President  
& CEO of Teva  
Pharma. Industries Ltd.

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

## Independent Director



### **S. Mohanchand Dadha**

Former Chairman &  
Managing Director, TDPL

## Independent Directors



### **Ashwin Dani**

Non-Executive Vice  
Chairman,  
Asian Paints Ltd..

## Independent Directors



### **Keki Mistry**

Vice Chairman  
& CEO, HDFC 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**

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

# Financials



# Financials



Market Capitalisation Rs. 1,170 billion / US\$ 17 billion

( All Figures in USD. Mn )

	FY14	YoY	FY15	YoY	FY16	YoY	FY17	YoY	FY18	YoY
<b>P&amp;L Summary</b>										
Sales	2,649	28%	4,457	68%	4,262	-4%	4,512	6%	4,044	-10%
Gross Profit	2,189	30%	3,354	53%	3,295	-2%	3,300	0%	2,892	-12%
EBITDA	1,178	30%	1,263	7%	1,155	-9%	1,308	13%	804	-39%
Net Profit	520	-5%	743	43%	695	-6%	1,038	49%	335	-68%
Net Profit (Adjusted)	937 #	43%	781 #	-17%	799 #	2%	1,038	30%	522 #	-50%
R&D Spend	172	33%	320	85%	352	10%	345	-2%	349	1%
<b>BS Summary</b>										
	Mar'14	YoY	Mar'15	YoY	Mar'16	YoY	Mar'17	YoY	Mar'18	YoY
Shareholders Funds	3,082	12%	4,480	45%	4,972	11%	5,650	14%	5,868	4%
Loan Funds	414		1,210	192%	1,254	4%	1,248	0%	1,502	20%
Net Fixed Assets	969	4%	1,547	60%	1,871	21%	2,304	23%	2,420	5%
Investments	464	4%	560	21%	276	-51%	184	-33%	1,100	499%
Cash and Bank Balances	1,263	69%	1,754	39%	1,987	13%	2,335	17%	1,529	-35%
Inventory	520	9%	905	74%	968	7%	1,054	9%	1,060	1%
Sundry Debtors	366	-18%	814	122%	1,022	26%	1,111	9%	1,204	8%
Sundry Creditors	221	13%	518	134%	540	4%	678	25%	734	8%

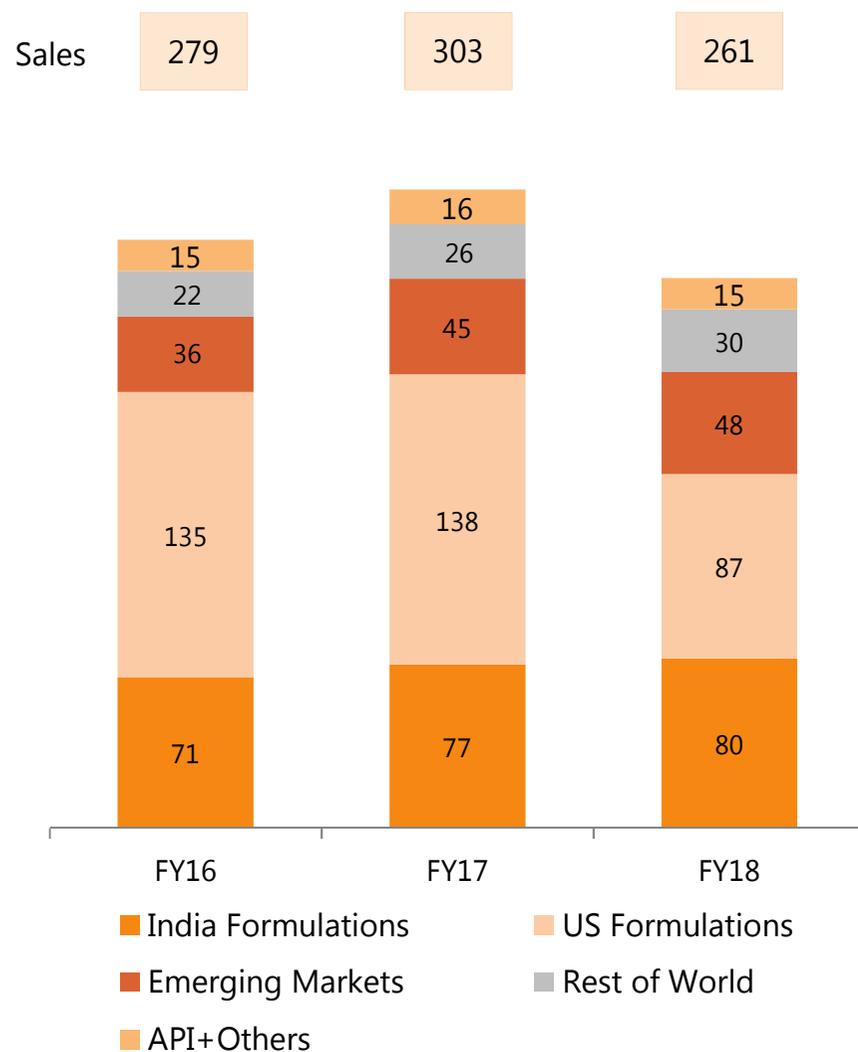
Exchange Rate :

For Market Capitalisation US\$1 = Rs 67.62 (As on 31 May 2017)

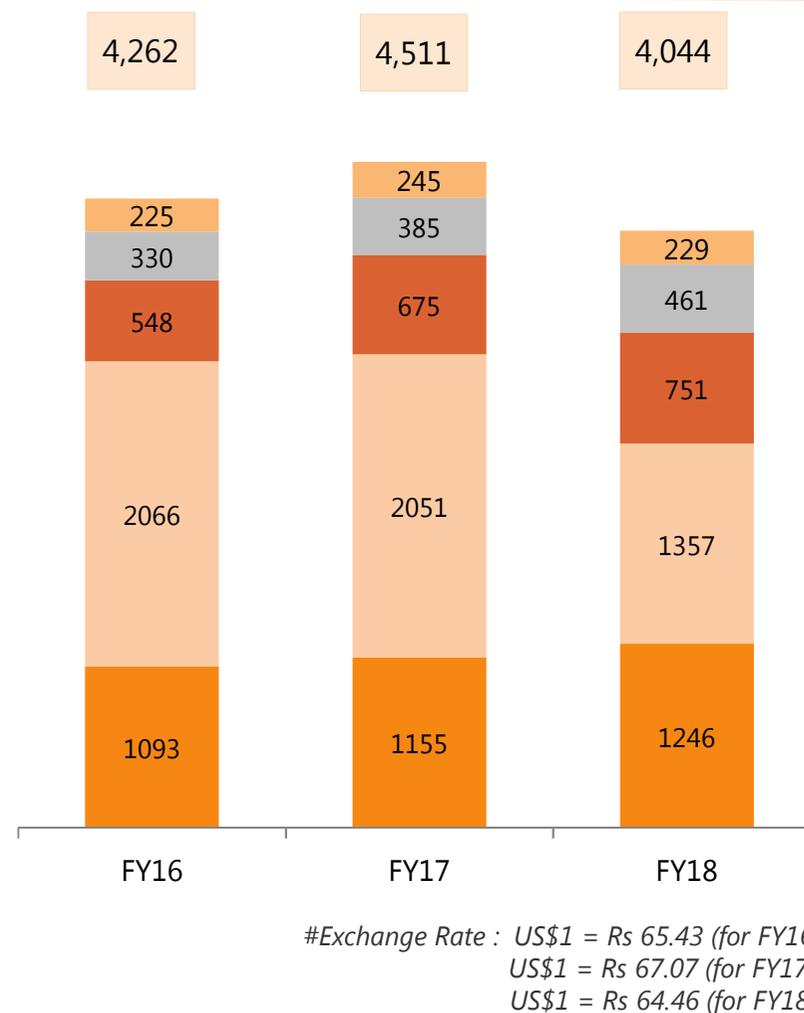
# Adjusted for USD 417 Mn provision related to generic Protonix settlement for the year 2013-14 and Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15 and Adjusted for USD 104 Mn for settlement provision for Texas Medicaid Program litigation for 2015-16 and Adjusted for USD 187 Mn provision related to Modafinil settlement & deferred tax adjustment for the year 2017-18

# Sales Break-up

## In INR Billion



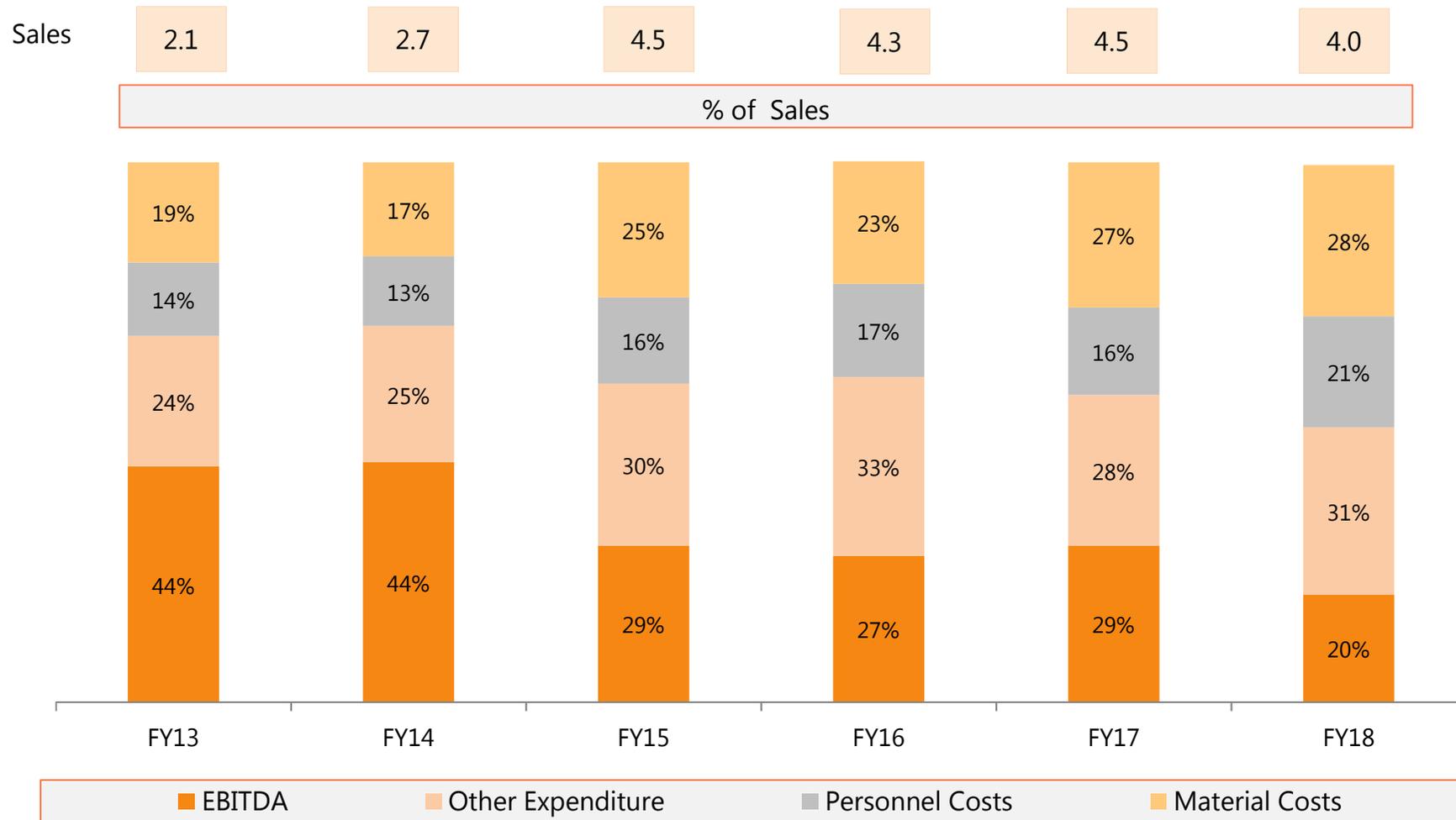
## In USD Million



# EBITDA Trend



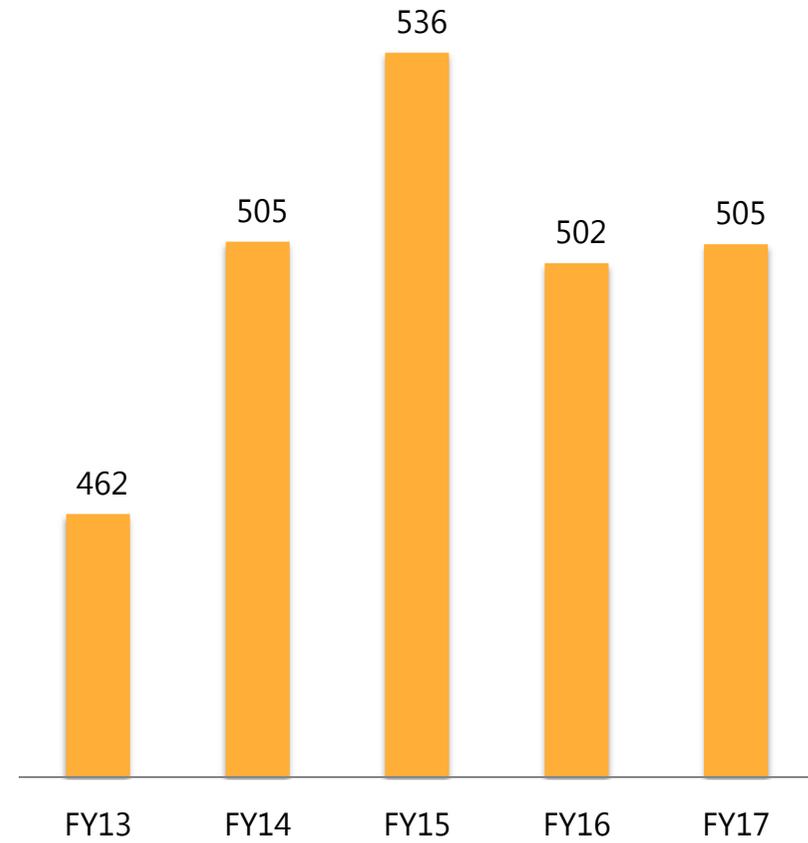
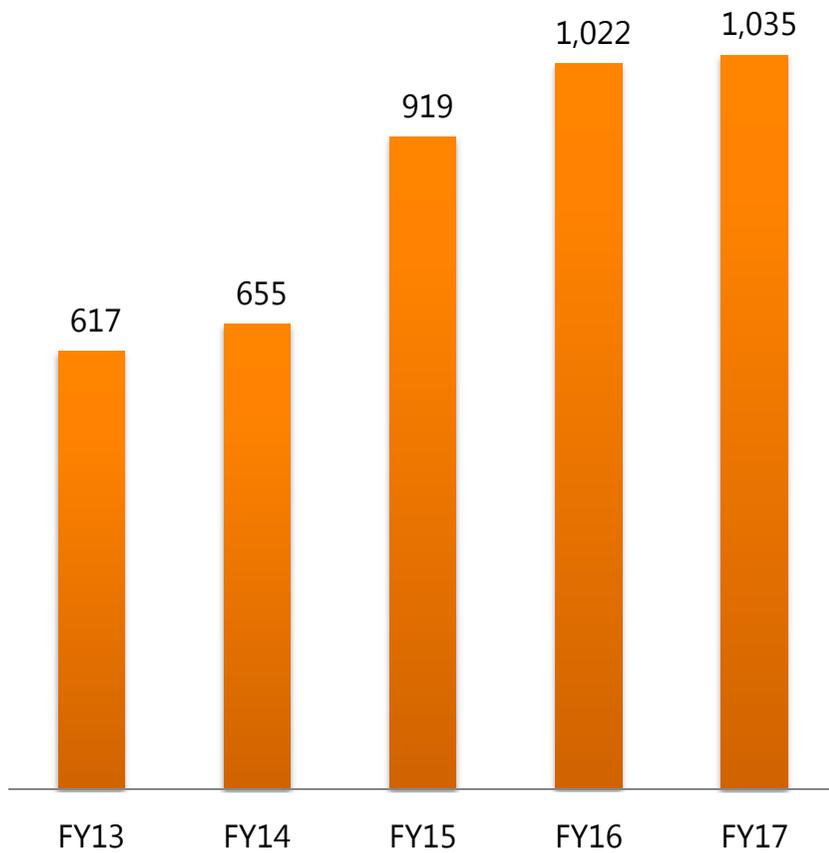
## In USD Billion



# Cash Flow



## Net Cash From Operating Activities (USD Mn)    Free Cash Flow (USD Mn)



All numbers above exclude Ranbaxy financials

# Financial Ratios



	FY14	FY15	FY16	FY17	FY18
<b>Growth (%)</b>					
Sales	28.1	68.2	(4.4)	5.9	(10.4)
Gross Profit	29.9	53.2	(1.8)	0.2	(12.4)
EBITDA	30.5	7.2	(8.5)	13.2	(38.5)
Net Profit	(5.2)	42.8	(6.4)	49.5	(67.7)
Net Profit (Adjusted)	42.8 #	(16.6) #	2.3 #	29.9	(49.7) #
<b>Margins (%)</b>					
Gross Margin	82.6	75.3	77.3	73.1	71.5
EBITDA Margin (%)	44.5	28.3	27.1	29.0	19.9
Net Margin	19.6	16.7	16.3	23.0	8.3
Net Margin (Adjusted)	35.4 #	17.5 #	18.8 #	23.0	12.9 #
<b>Return (%)</b>					
ROCE	26.9	14.7	14.8	16.1	7.8
ROE	30.9	18.5	17.6	19.8	8.9
<b>Others</b>					
Debt / Equity	0.13	0.27	0.25	0.22	0.26
Fully Diluted (USD) EPS	0.3	0.3	0.3	0.4	0.1
Fully Diluted EPS (USD) (Adjusted)	0.5 #	0.3 #	0.3 #	0.4	0.2 #
<b>R&amp;D Spend % of Net Sales</b>					
Revenue	6.2	6.6	7.9	7.1	7.9
Capital	0.3	0.4	0.3	0.6	0.7

# Adjusted for USD 417 Mn provision related to generic Protonix settlement for the year 2013-14 and Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15 and Adjusted for USD 104 Mn for settlement provision for Texas Medicaid Program litigation for 2015-16 and Adjusted for USD 187 Mn provision related to Modafinil settlement & deferred tax adjustment for the year 2017-18

# Key Financials Q4 & FY18



( All Figures in USD Mn )

	Q4 FY18	Q4 FY17	CHANGE	FY18	FY17	CHANGE
<b>Sales</b>	<b>1,043</b>	<b>1,019</b>	<b>2%</b>	<b>4,044</b>	<b>4,512</b>	<b>-10%</b>
Gross Profit	768	691	11%	2,892	3,300	-12%
Gross Margin	74%	68%		72%	73%	
EBITDA	220	184	19%	804	1,310	-39%
EBITDA Margin	21%	18%		20%	29%	
Net Profit	203	183	11%	336	1,039	-68%
Net margin	20%	18%		8%	23%	
<b>Net Profit (Adjusted)</b>	<b>163 #</b>	<b>183</b>	<b>-11%</b>	<b>522 #</b>	<b>1,039</b>	<b>-50%</b>
Net margin (Adjusted)	16%	18%		13%	23%	
R&D	115	90	29%	349	345	1%
R&D as % of Net Sales	11.1%	8.8%		8.6%	7.6%	
EPS (Diluted) IN \$	0.1	0.1	11%	0.1	0.4	-68%
EPS (Diluted) IN \$ (Adjusted)	0.1	0.1	-11%	0.2	0.4	-50%

# Adjusted for tax for Q4FY18 includes one-time benefits of \$ 40 Mn related to deferred tax.

# : Adjusted for \$ 187 Mn provision related to Modafinil settlement & deferred tax adjustment for the year FY18.

All Financials are as per IND-AS

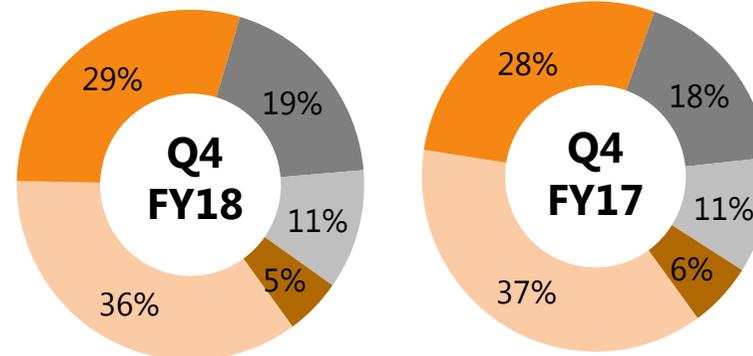
# Sales Breakup Q4 & FY18



( All Figures in USD. Mn )

	Q4 FY18	Q4 FY17	CHANGE	FY18	FY17	CHANGE
<b>Formulation</b>						
India	305	286	7%	1,246	1,155	8%
US	368	381	-3%	1,357	2,051	-34%
Emerging Markets	199	181	10%	751	675	11%
ROW	116	109	6%	461	385	
<i>Sub-total</i>	<b>988</b>	<b>957</b>	<b>3%</b>	<b>3,815</b>	<b>4,266</b>	<b>-11%</b>
Bulk	52	59	-12%	217	238	-9%
Others	3	2	61%	12	7	78%
<b>Gross Sales</b>	<b>1,043</b>	<b>1,019</b>	<b>2%</b>	<b>4,044</b>	<b>4,511</b>	<b>-10%</b>

- US Formulations
- India Branded Generics
- Emerging Markets
- Western Europe & Other Markets #
- API & Others



All Financials are as per IND-AS

# 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
- Gain critical mass in key therapeutic segments

## India Business

- Improve productivity of India business
- Maintain leadership position in a fiercely competitive market
- Continuously innovate to ensure high brand equity with doctors

## RoW Business

- Gain critical mass in key emerging 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

- Develop more products through expanded R&D team for global markets
- 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
- Ensure resolution of consent decree at Ranbaxy's facilities

## Financial

- Target sustainable and profitable growth
- Focus on ROCE

# FY19 Guidance



## Consolidated Revenues

- Low double digit growth over FY18

## 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



## 5<sup>th</sup> Largest Global Specialty Generic Company

US	<ul style="list-style-type: none"><li>• Ranked 5<sup>th</sup> in US* / 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>
Europe	<ul style="list-style-type: none"><li>• Expanding presence in Europe</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 41 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 150 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>• 30,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple 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 2017



# Thank You!

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