



# Creating Lasting Value

Investor Presentation – February 2016



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

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# Contents

<b>1</b>	<b>Sun Pharma at a glance</b>
<b>2</b>	<b>Long-term Strategy</b>
<b>3</b>	<b>Global Specialty Initiatives</b>
<b>4</b>	<b>Revenue Composition, History &amp; Acquisition Track Record</b>
<b>5</b>	<b>Business Operations, R&amp;D, Manufacturing</b>
<b>6</b>	<b>Corporate Governance</b>
<b>7</b>	<b>Financials – P&amp;L, Balance Sheet, Cash Flows &amp; Ratios</b>
<b>8</b>	<b>Key Milestones Targeted</b>

# Sun Pharma at a glance

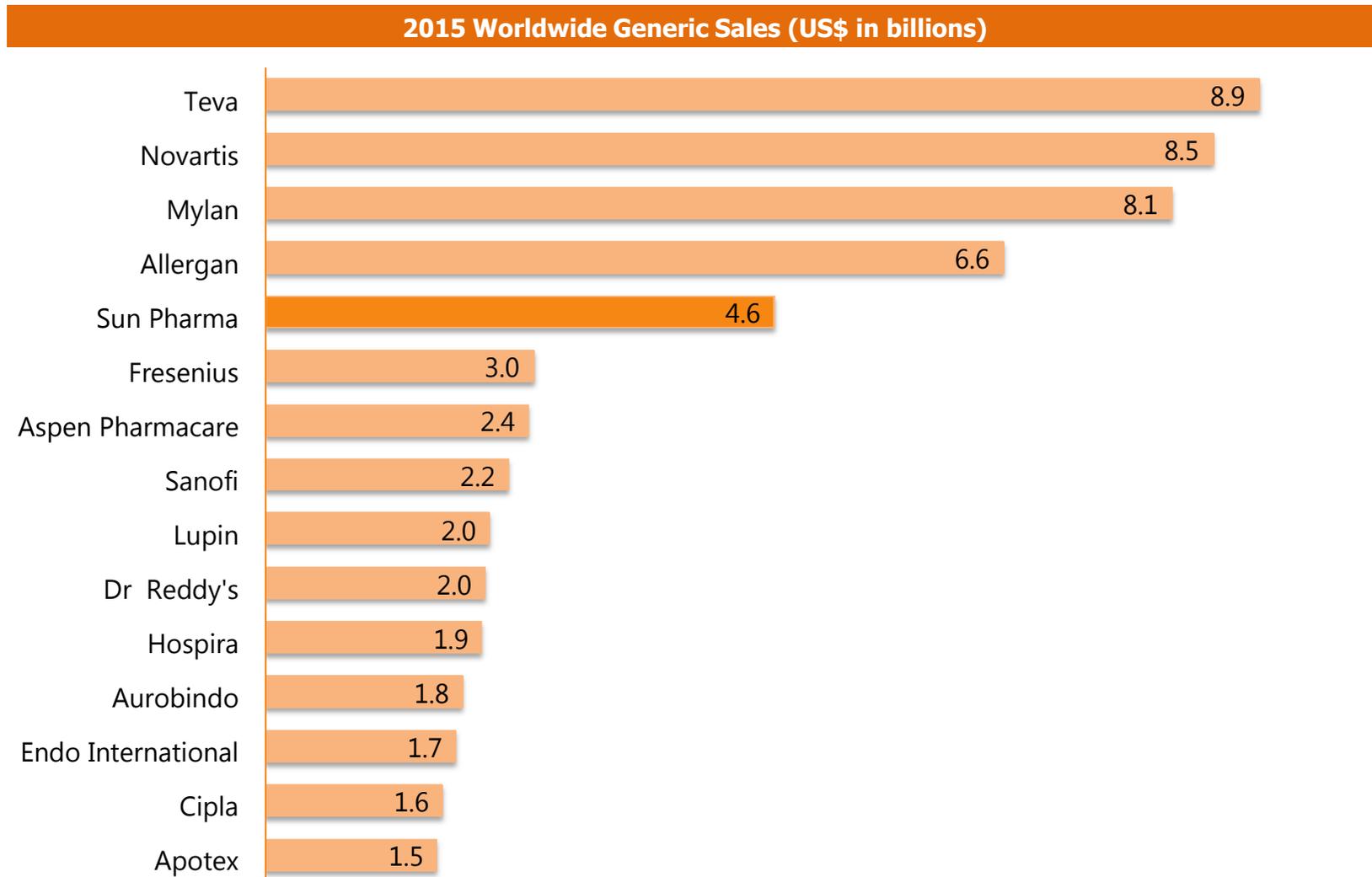


## 5<sup>th</sup> Largest Global Specialty Generic Company

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>• 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>• 49 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 for 12 months ended Dec 2015

# World's 5th Largest Specialty Generic Pharma Co



Source: Evaluate Pharma, Company filings

# Sun Pharma today

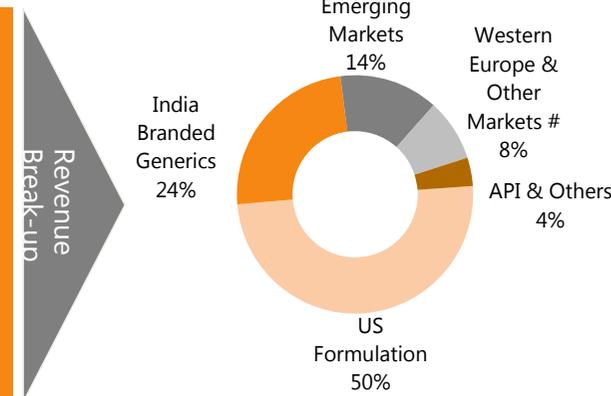
## US Formulations

- 5<sup>th</sup> largest generics company in US\* with one of the largest ANDAs pipeline (156 ANDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 435 approved products
- FY15 sales: US\$ 2,244 mn <sup>(2)</sup>



Geographical sales split

- Market cap: US\$ 31 bn <sup>(1)</sup>
- Gross Sales: US\$ 4,510 mn <sup>(2)</sup>
- EBITDA: US\$ 1,295 (29% margin) <sup>(2)</sup>
- R&D Investment: 7.1% of Net Sales
- Globalized supply chain
- 55% owned by promoter group
- Strong balance sheet, low debt
- Strong product pipeline



## India Branded Generics

- No.1 ranked with 12 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY15 sales: US\$ 1,099 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
- FY15 sales: US\$ 611 mn <sup>(2)</sup>

## Western Europe, Canada, ANZ & others

- Presence across majority of markets in Western Europe, Canada and A&NZ
- Product portfolio includes differentiated offerings for hospitals, injectables and generics for retail market
- FY15 sales: US\$ 381 mn <sup>(2)</sup>

Note:

(1) As of January, 31, 2016 using spot exchange rate of INR /USD = 67.88.

(2) Using average exchange rate for FY15 of INR /USD = 61.13

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

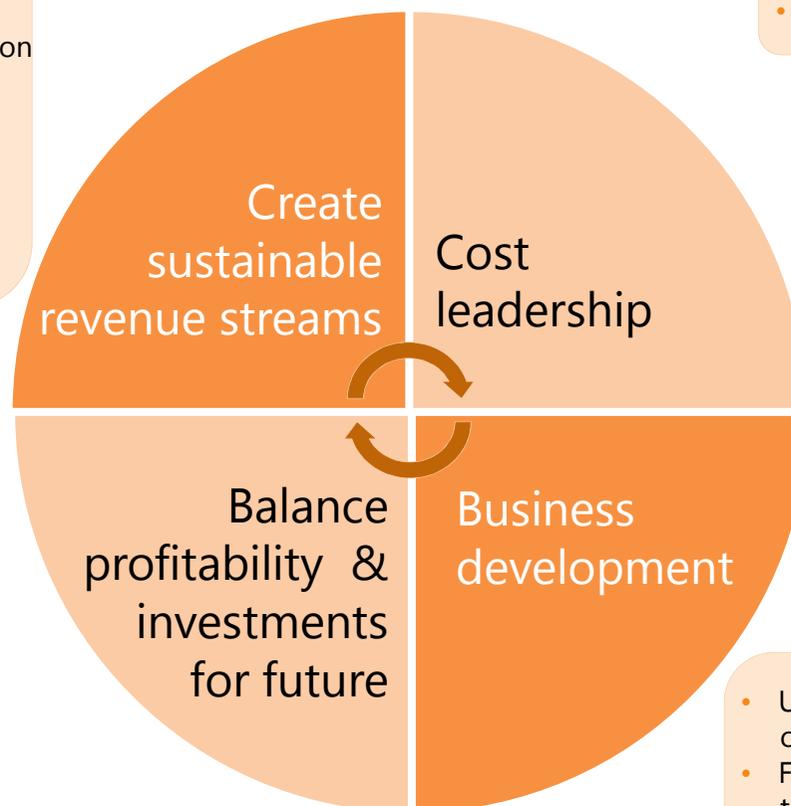
All sales numbers in US\$ for 12 months ended March 31, 2015.

\* Source: Evaluate Pharma for 12 months ended Dec 2015

# 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 Tildrakizumab (a monoclonal antibody undergoing Phase-III trials targeting IL-23) from MSD for treating chronic plaque psoriasis
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases
- Acquired Dusa Pharma in US – Gets 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.

## Branded Businesses in US, India and RoW

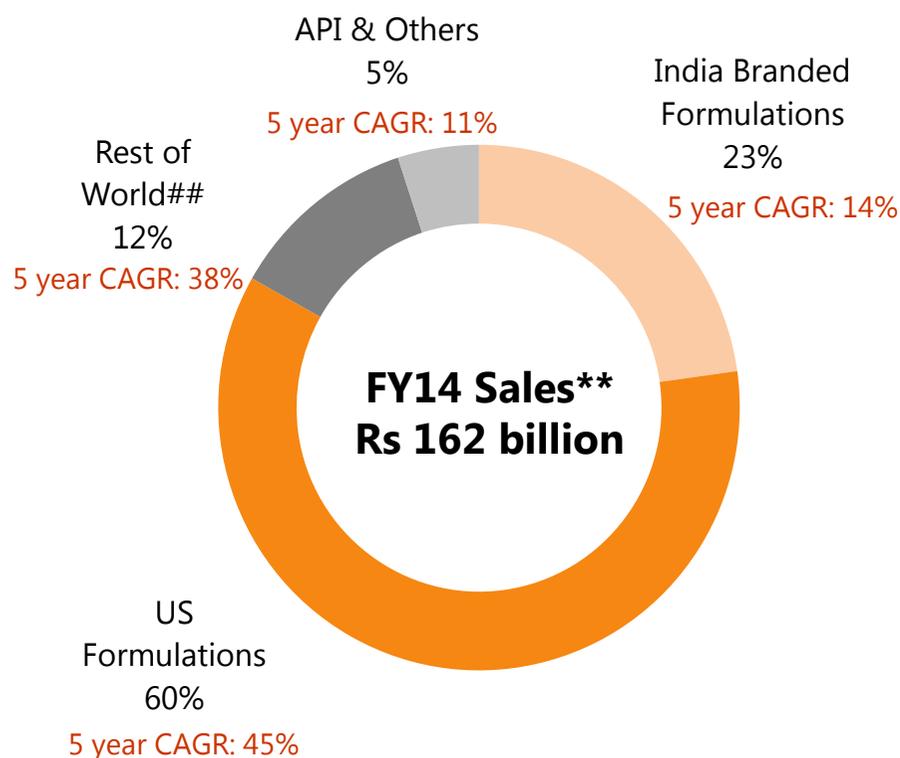
- Ranked no. 3 branded dermatology company in the US market
- Market leader in specialty chronic segments in India
- Amongst the largest Indian companies in branded emerging markets

## Complex Generics in US

- Firmly established as the no. 1 supplier of generic dermatology products in the US
- Current product offering in US includes many specialty generics across different dosage forms. Future product development targeted at complex generics
- One of the few companies globally to have farm-to-market capabilities for controlled substances
- Key focus areas include dermatology, ophthalmic, oncology, controlled substances, amongst others

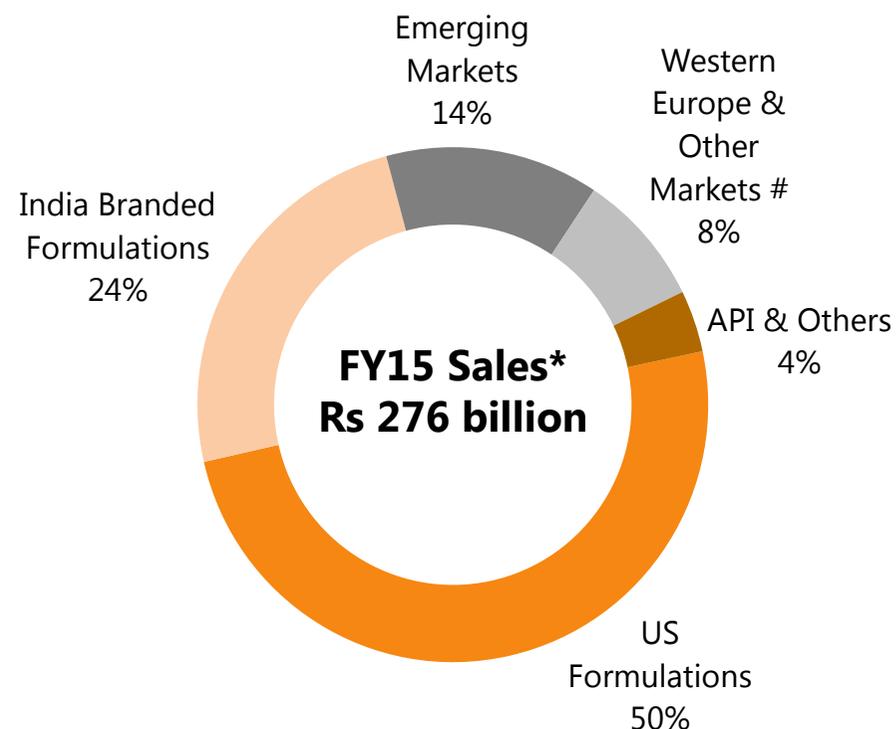
# Highly Diversified Revenue Base

## Sun Pharma (Pre Ranbaxy Acquisition)



\*\* Sales for Sun Pharma (excluding Ranbaxy) for 12 months ended Mar' 14.  
## Includes all formulations sales excluding US and India

## Sun Pharma (Post Ranbaxy Acquisition)

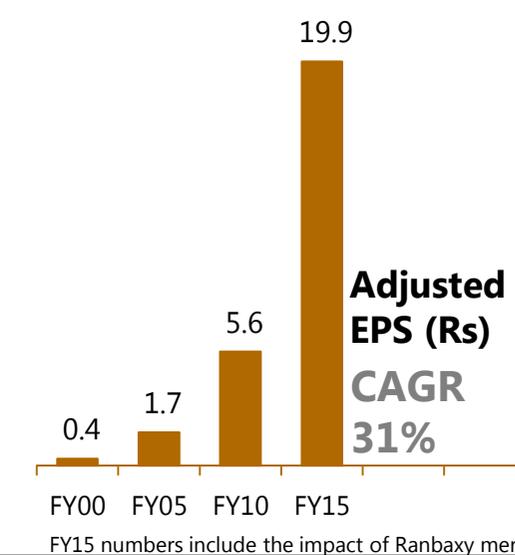
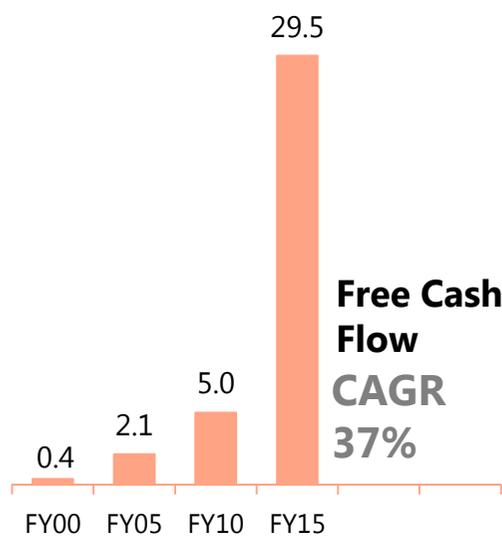
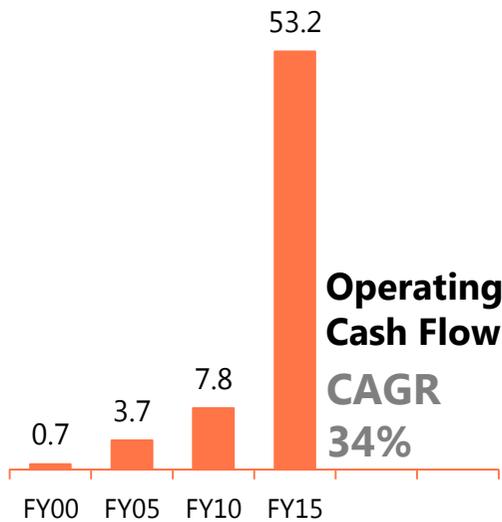
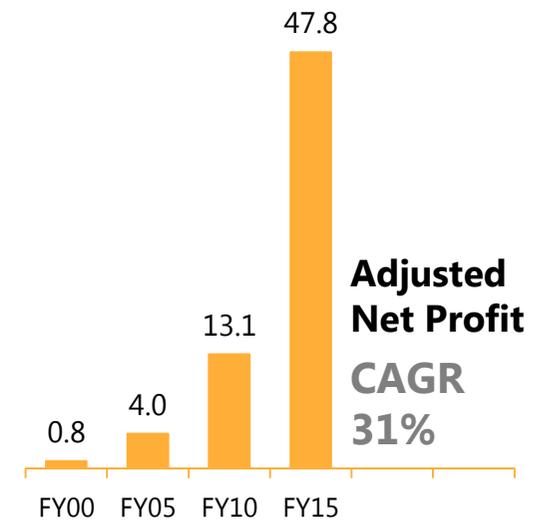
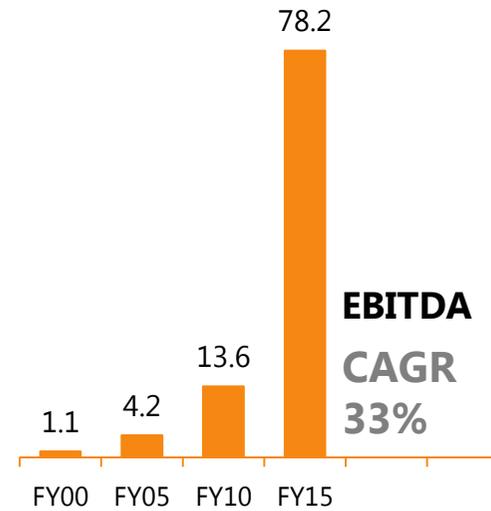
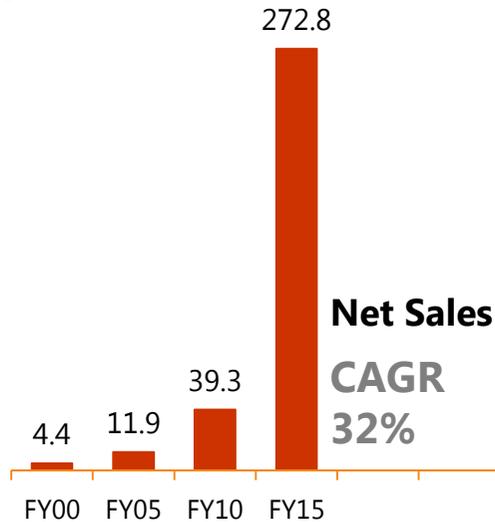


\* Sales for Sun Pharma (including Ranbaxy) for 12 months ended Mar' 15.  
# Includes Western Europe, Canada, Australia & New Zealand, Japan and other markets.

# Impressive Track Record of Growth



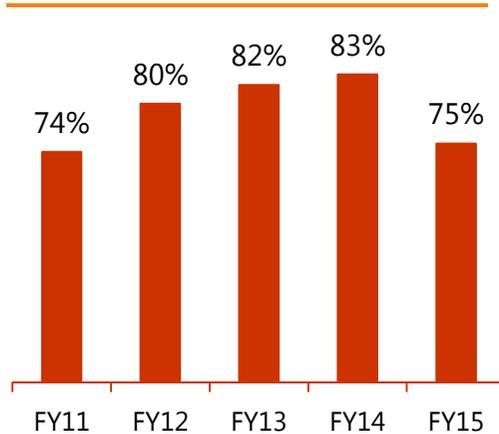
(All Figures in INR Billion)



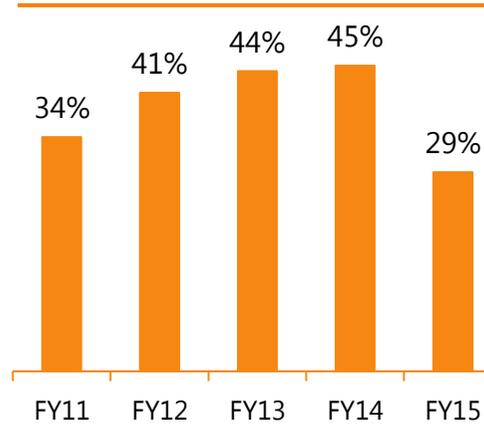
# Consistent profitability and returns



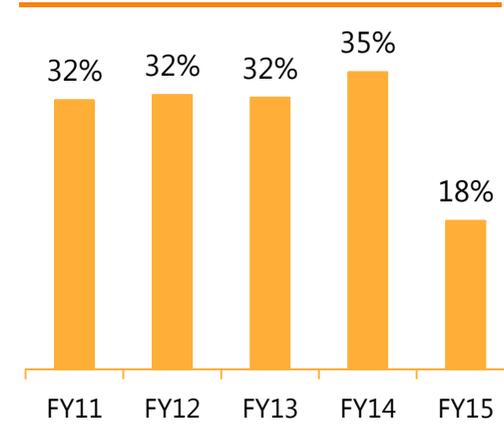
### Gross Margin #



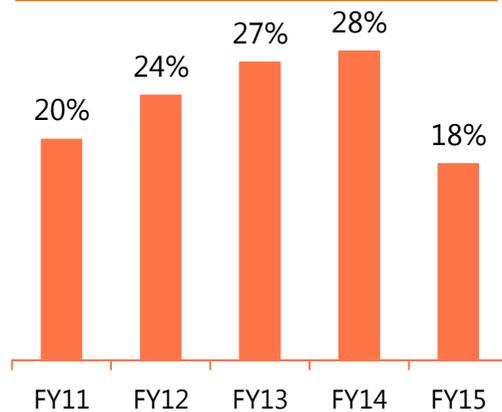
### EBITDA Margin



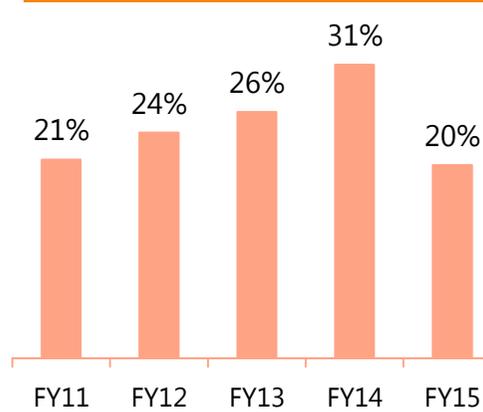
### Net Margin (adjusted)



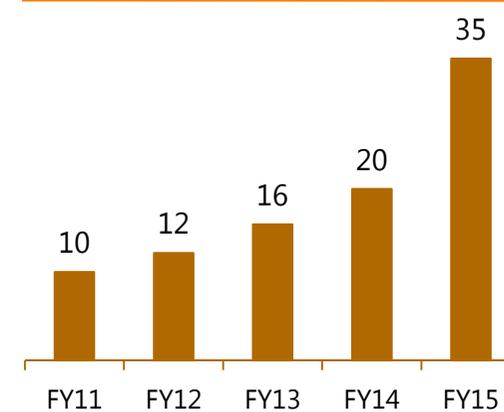
### ROCE



### ROE



### Market Cap (USD Bn)



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

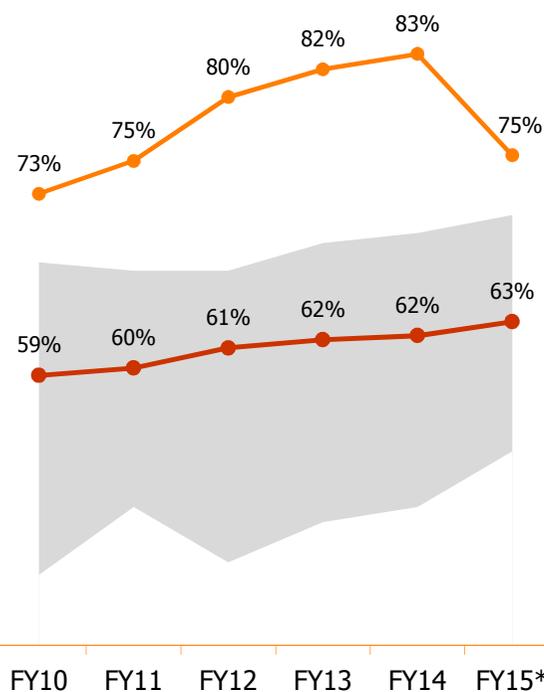
FY15 numbers include the impact of Ranbaxy merger

# Sustained Profitability Vs. Peers

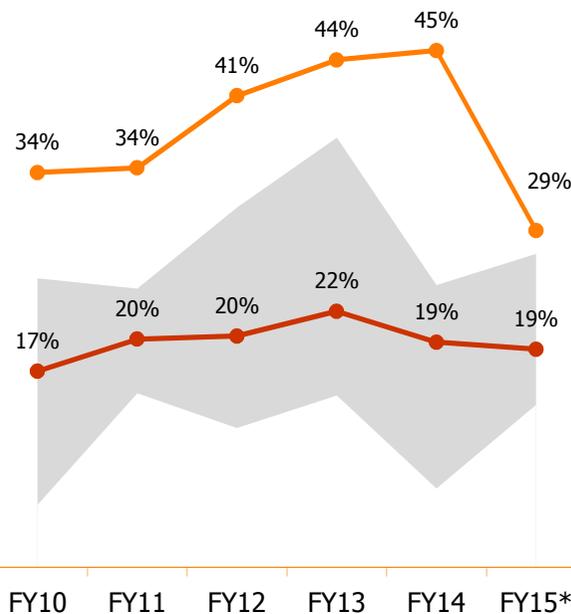
Superior business model

Margins consistently higher than peers#

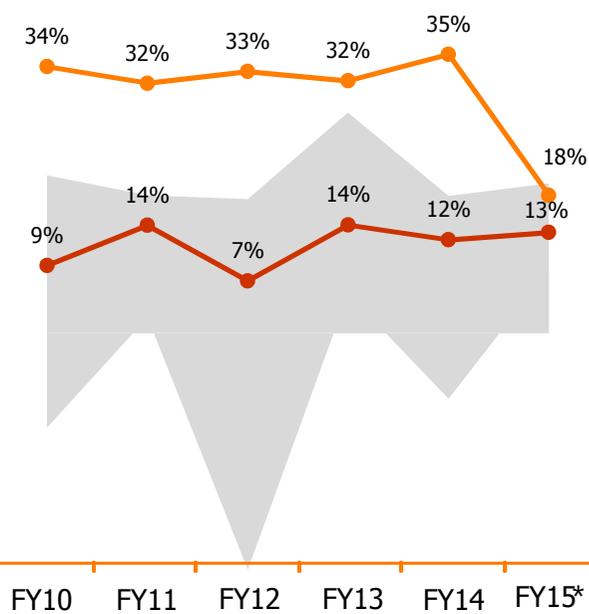
## Gross Margin



## EBITDA Margin



## Net Margin



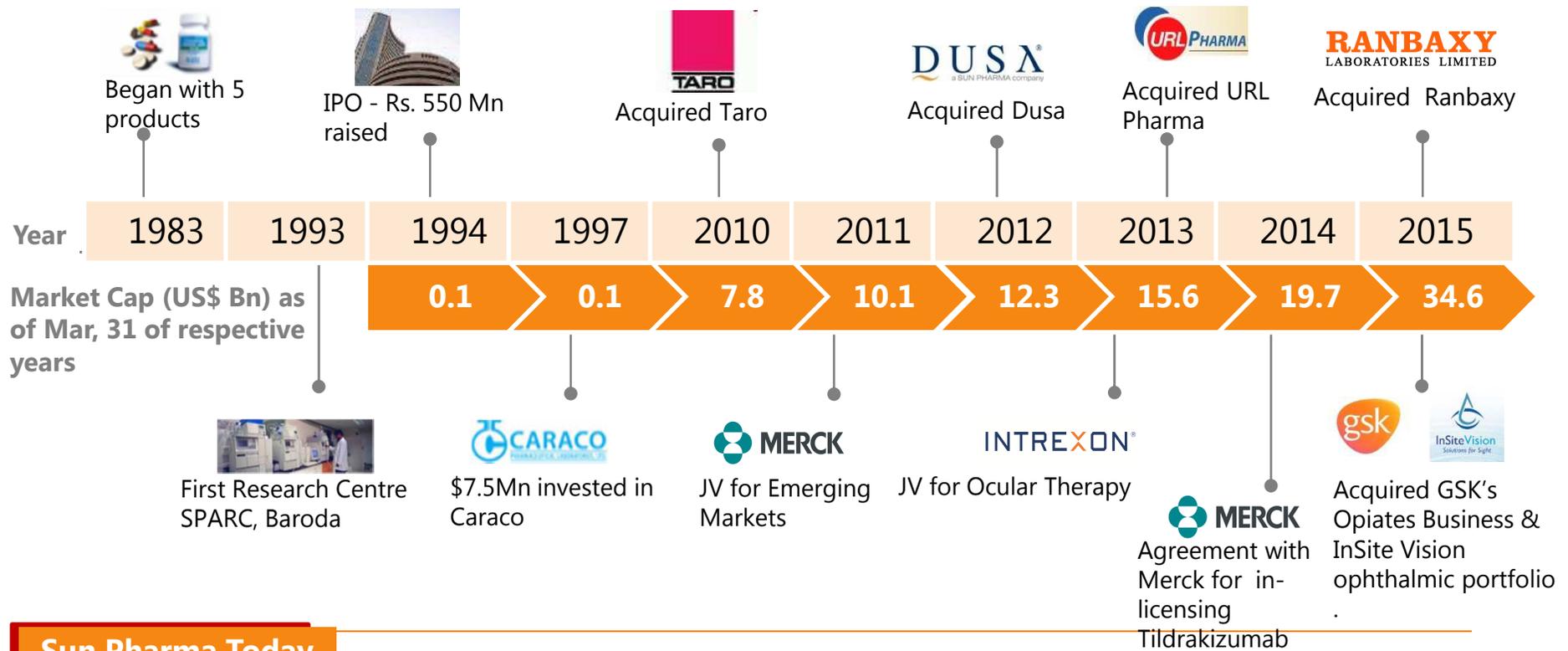
Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

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

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

\* FY15 numbers include the impact of Ranbaxy merger

# Creating Value, Continuously...



## Sun Pharma Today



30,000+ Employees



Invested Rs. 79 billion in R&D till date



Part of NSE Nifty & BSE Sensex in India



49 Manufacturing facilities in 6 Continents



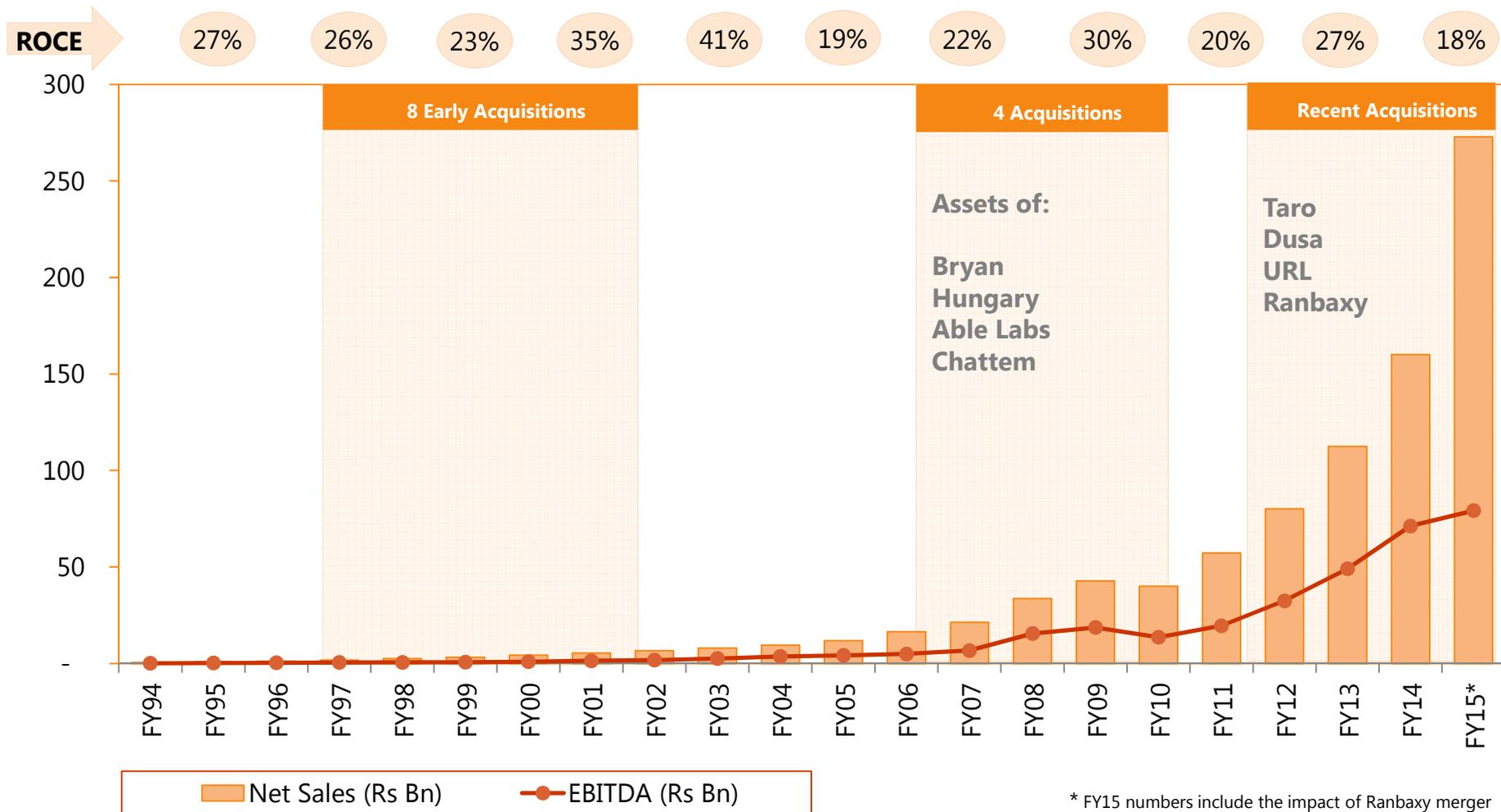
75% of sales from international markets

# Key Deals & Rationale

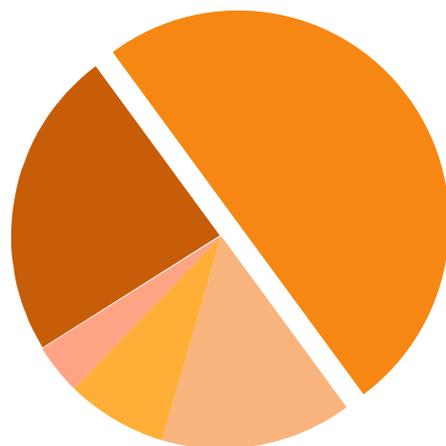


Year	Deals	Country	Rationale
2015	Acquired InSite Vision Inc.	US	Strengthens branded ophthalmic portfolio in U.S.
2015	Acquisition of GSK's Opiates Business	Global Markets	Vertical Integration for controlled substances business
2015	Distribution agreement with AstraZeneca	India	Distribution services 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 Pharmalucence	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
2013	Formation of Sun-Intrexon JV	Global Markets	JV for ocular therapies
2013	Acquired URL's generic business	US	Adds 107 products to US portfolio
2012	Acquired DUSA Pharma, Inc.	US	Access to branded derma product
2011	Formation of Sun-MSD JV	Emerging Markets	Develop and commercialize technology based combinations products
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Dermatology & Topical Product Manufacturing Plant at Israel & Canada
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Import registration with DEA, API Plant approved by DEA in Tennessee, US
2005	Assets of Able Labs Formulation plant in Bryan	New Jersey, US Ohio, US	Dosage form plant (NJ, US) and IP Dosage form plant (Ohio, US)
1997	Acquired Caraco	Detroit, US	Entry into US Market

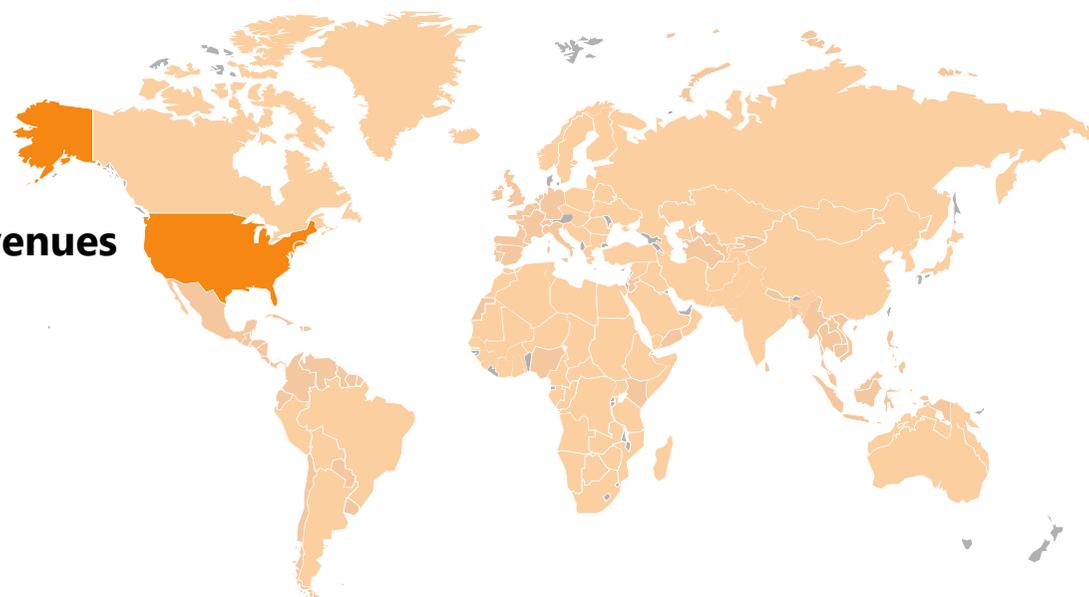
# Successful track record of turning around acquisitions



# US Business



**50% 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 3rd largest branded dermatology company in the US

## Comprehensive Portfolio

- Wide basket of 591 ANDAs filed & 435 approved ANDAs across multiple therapies

## Robust Pipeline

- 156 ANDAs pending FDA approval, including a combination of complex generics, FTF opportunities and pure generics

## Market Presence

- Presence in generics, branded & OTC segments

## Flexible Manufacturing

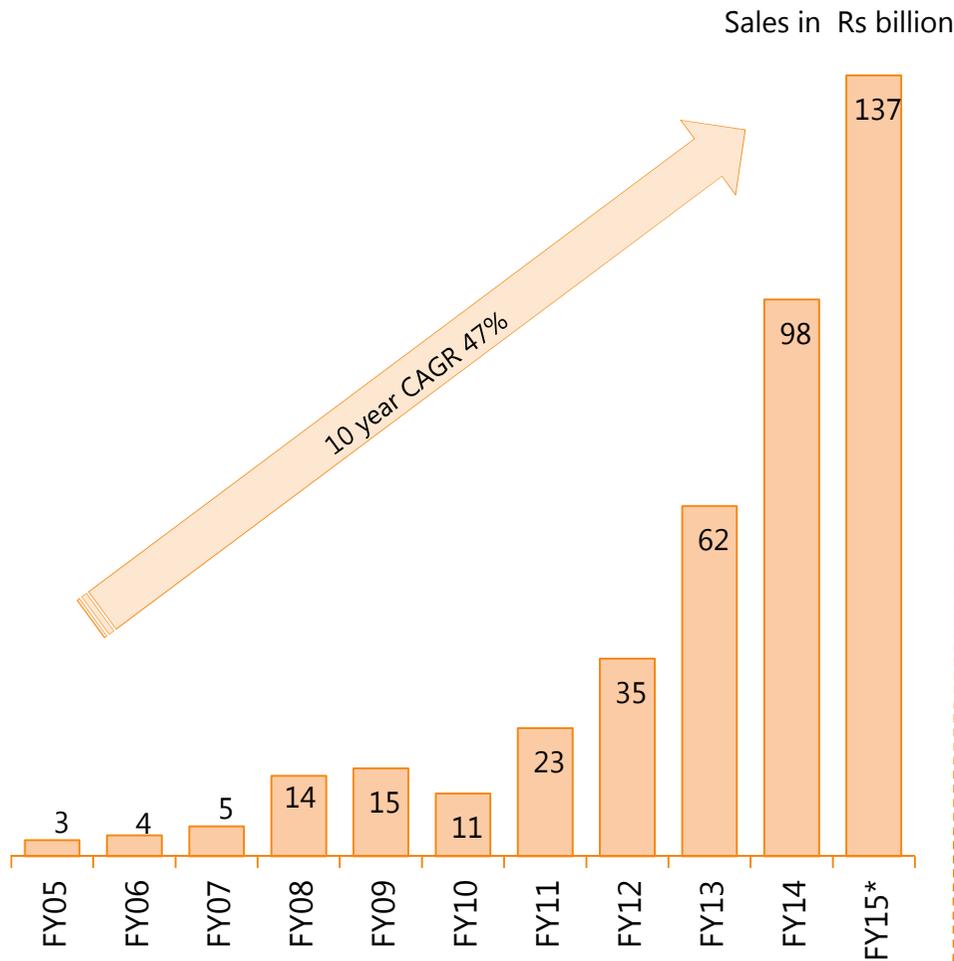
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

\* Source: Evaluate Pharma for 12 months ended Dec 2015

# US Business - Significant Ramp-up in Sales



FY05 – FY14 numbers exclude Ranbaxy financials

\* FY15 numbers include the impact of Ranbaxy merger

## Key Milestones in US

FY98

- Entry in US through Caraco acquisition

FY98-FY10

- Ramp-up in US business

FY08 onwards

- Launched many complex generics & few FTFs

FY10

- Acquired Taro Pharma – Entry into dermatology market

FY13

- Acquired DUSA - Entry in branded specialty market

FY13

- Acquired URL's generic business

FY14

- Acquired Pharmeducence -access to sterile injectable capacity

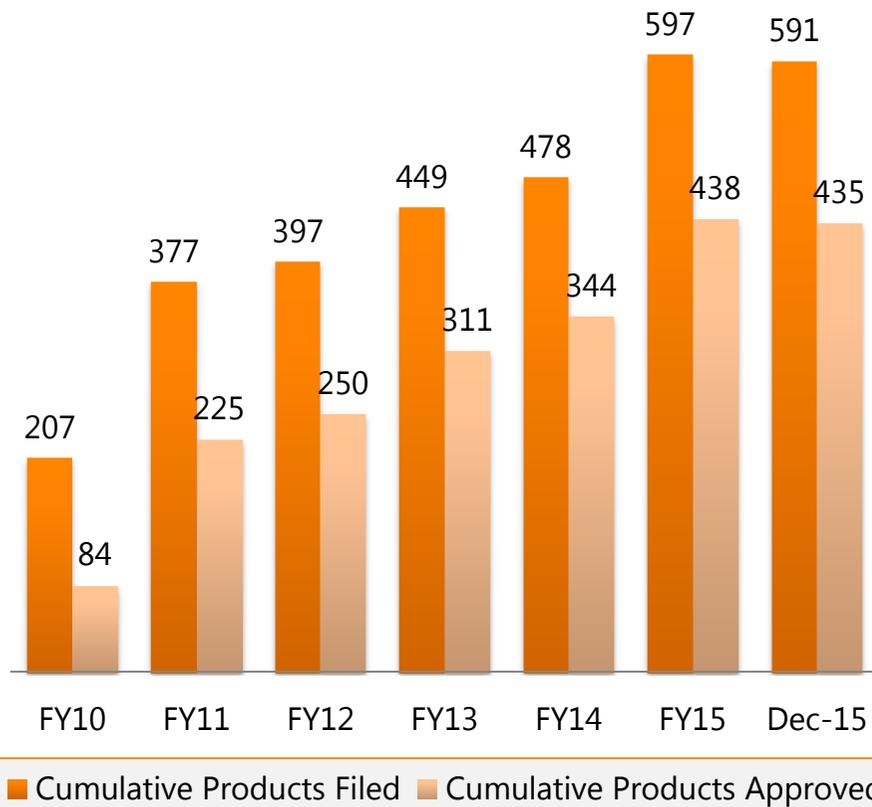
FY16

- Acquired InSite Vision – Strengthen ophthalmic portfolio

# ANDA Pipeline - Significant ramp up

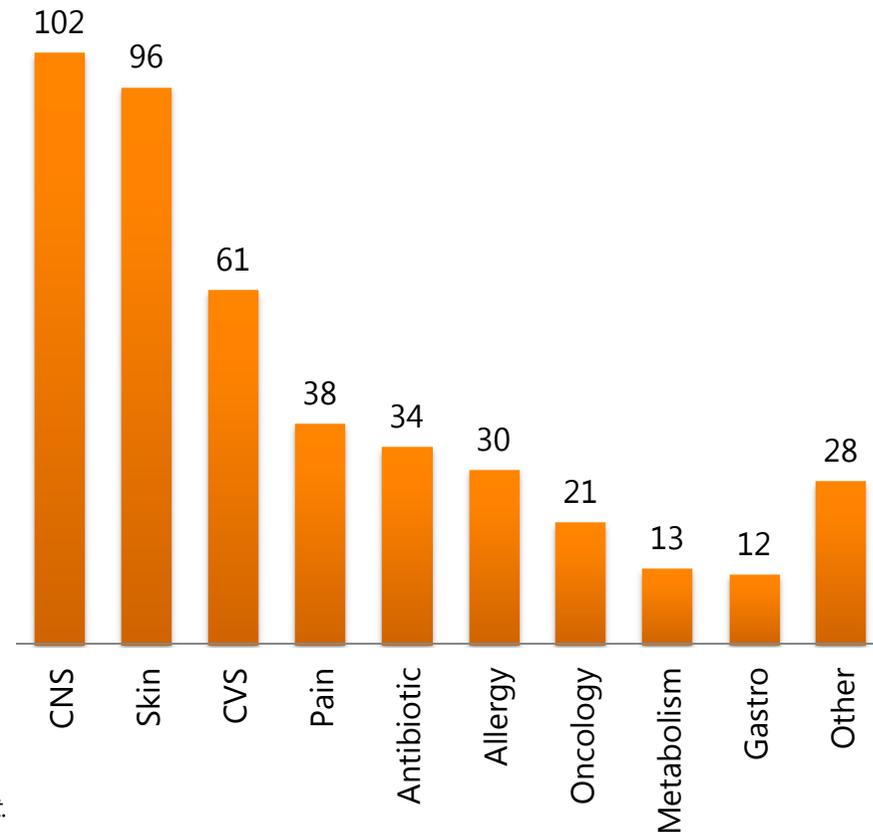


## ANDAs Filed and Approved



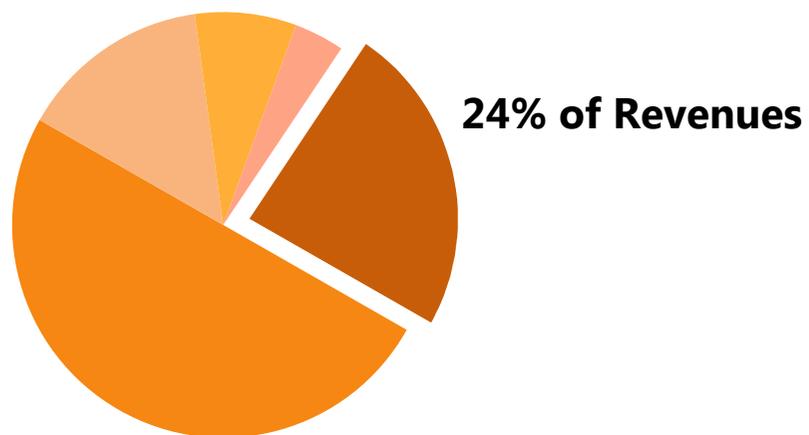
(Cumulative no's for Dec'15 are lower than FY15 due to Bryan facility divestment. Taro numbers added since Mar 2011, URL numbers added since Mar 2013 & Ranbaxy numbers added for March'15)

## 435 ANDA Approvals by Therapeutic Area



(As of Dec'15)

# India Branded Generic Business



# India Business at a glance

## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.8% market share
- Growth of 14% versus average industry growth of 14%

### Prescription Ranking###

- No. 1 ranked by prescriptions with 12 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. 17% of India revenues
- Growth driven by a basket of brands & not few key brands

### Extensive Sales Force

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

\*\* - As per AIOCD AWACS data for 12 months ended Dec'15

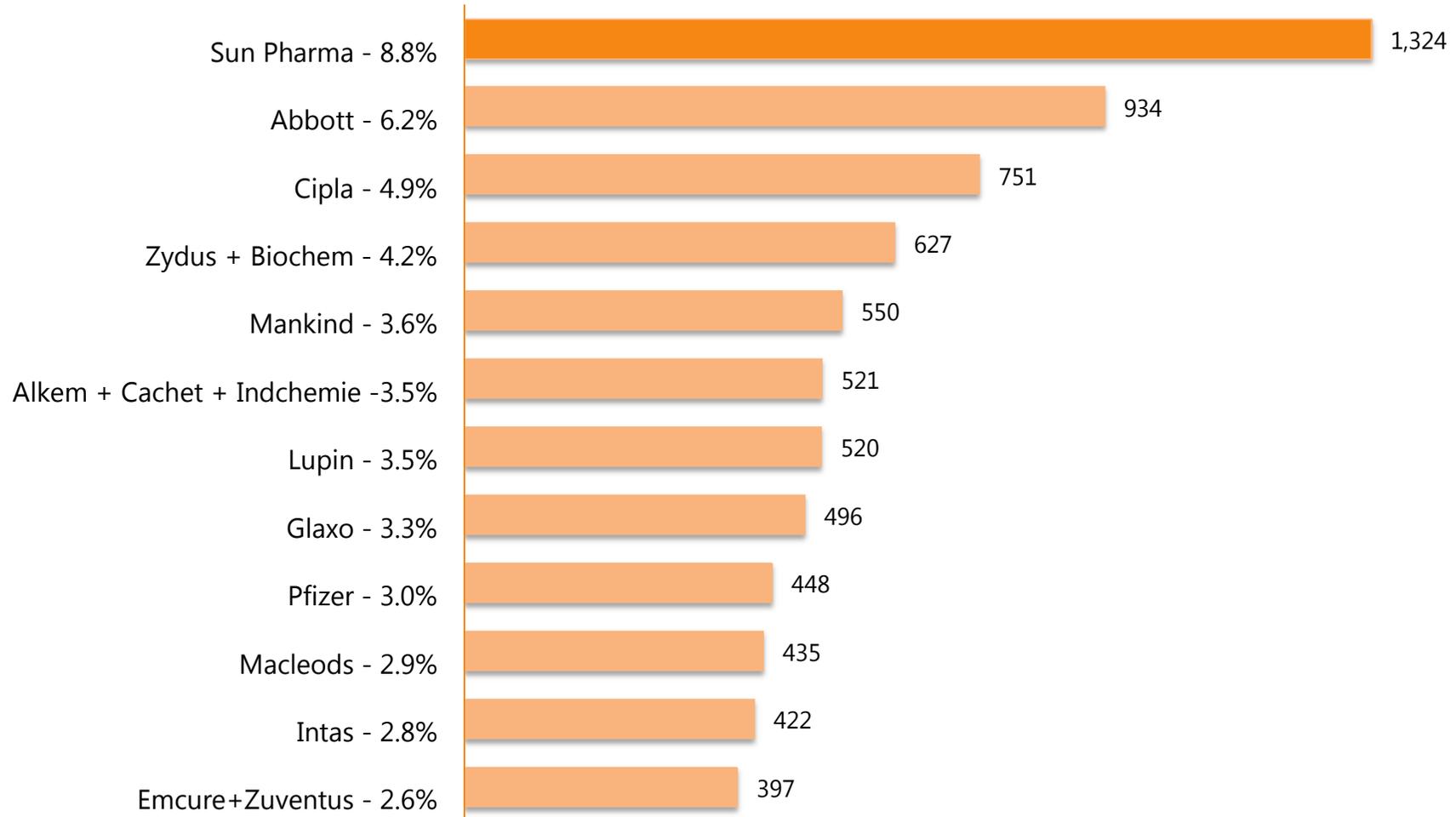
### - As per SMSRC data for Oct'15

\* Does not exclude overlaps

# Largest Pharma Company in India



**(Market Share)** Last 12 Months of Branded Generic Sales in India as of Dec 2015 (US\$ in mn)

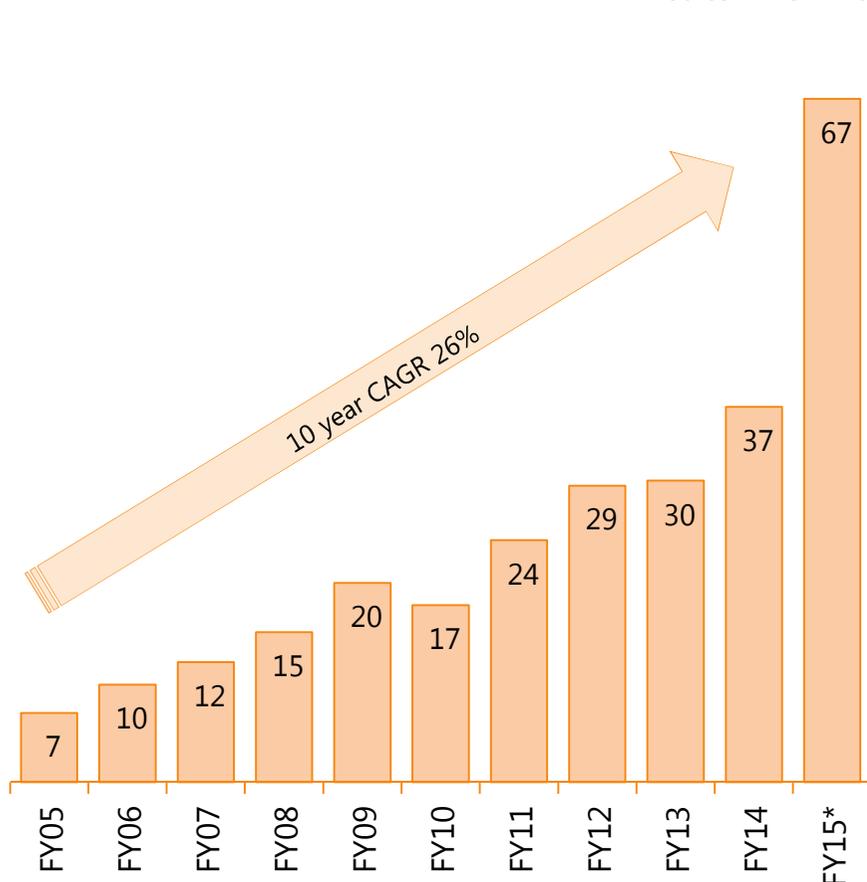


Source: AIOCD AWACS MAT Dec 2015

# India Business – Sales ramp-up

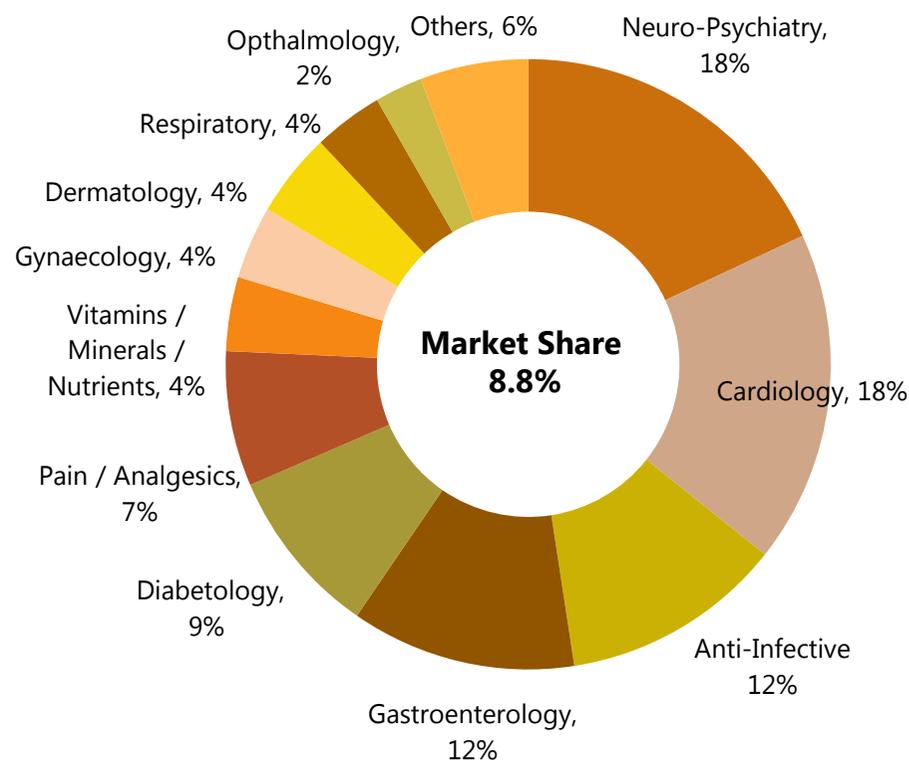
Leadership in chronic segment; Strong positioning in acute segment  
30 brands in top 300 brands of country

Sales in Rs Billion



FY05 – FY14 numbers exclude Ranbaxy financials  
\* FY15 numbers include the impact of Ranbaxy merger

## Therapeutic Revenue Break-up



As per AIOCD AWACS – Dec'15

# Strong Customer Focus Drives Market Share Gains



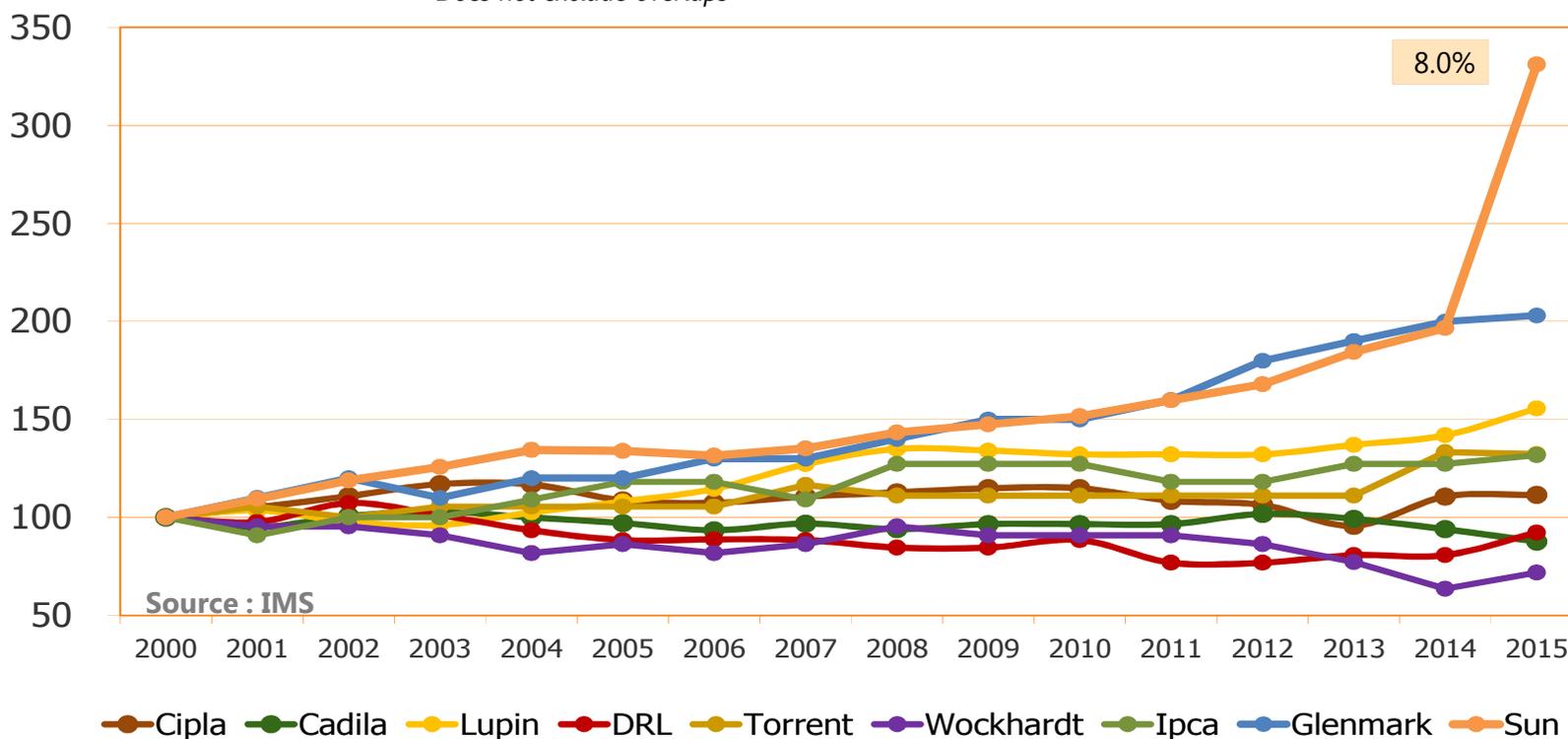
## Therapy focused marketing

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

## Strong increase in market share

- Sun pharma market share has consistently increased from 2.1% in 2000 to 8.0% in 2015 (IMS Data for Dec'15)

\* Does not exclude overlaps



# Leadership in key therapeutic areas\*

Number 1 Ranking with 12 Doctor Categories\*

## Ranking (Sun Pharma)

Specialist	Oct '14
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopaedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	2
Consulting Physicians	5
Dermatologists	6
Urologists	6
Chest Physicians	5
Oncologists	8

## Ranking (Sun + Ranbaxy)

Specialist	Oct '15
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopaedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	1
Consulting Physicians	1
Dermatologists	1
Urologists	1
Oncologists	1
Chest Physicians	2

Improved Rankings due to Ranbaxy acquisition



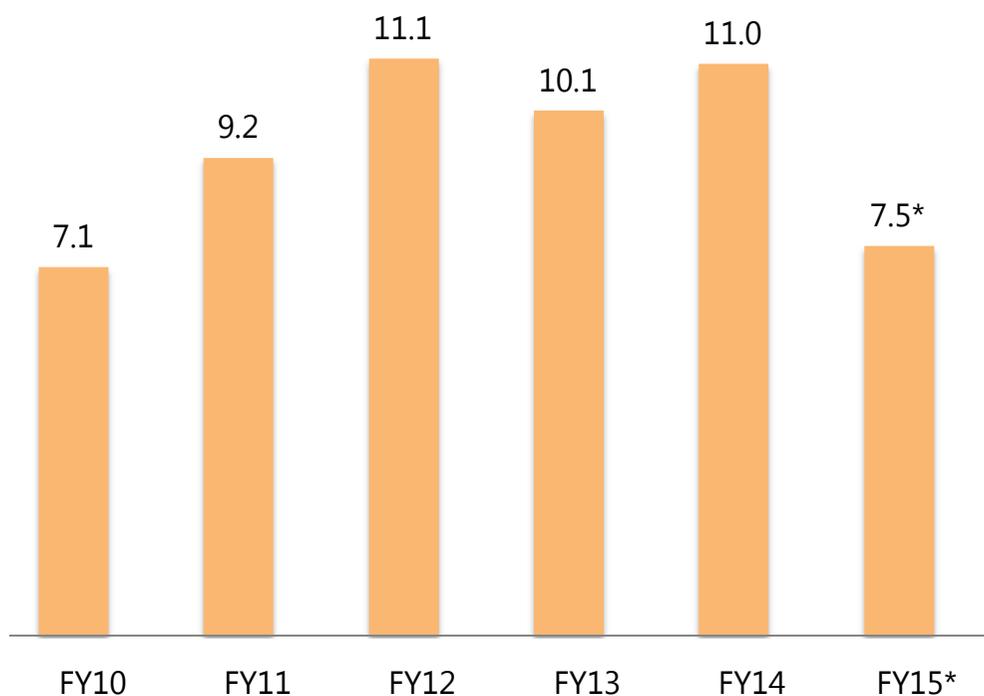
\*Ranks based on prescription share

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

# Best-in-class field force productivity

## Sales Per Representative (Rs. Mn)

FY10 – FY14 numbers exclude Ranbaxy  
 \* FY15 numbers include the impact of Ranbaxy merger



■ Sales Per Representative (Rs. Mn)

### Field Force Productivity

Sun  
Pharma

• Rs 7.5 Mn/ MR

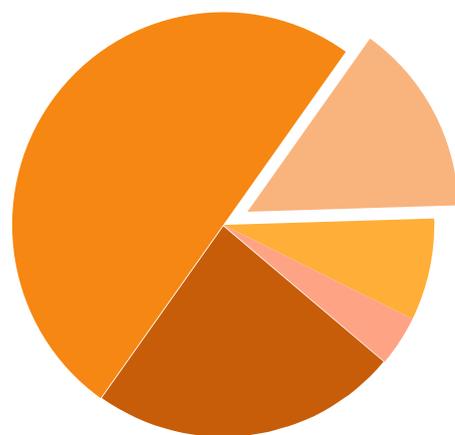
Industry  
Average\*

• Rs 5.2 Mn/ MR

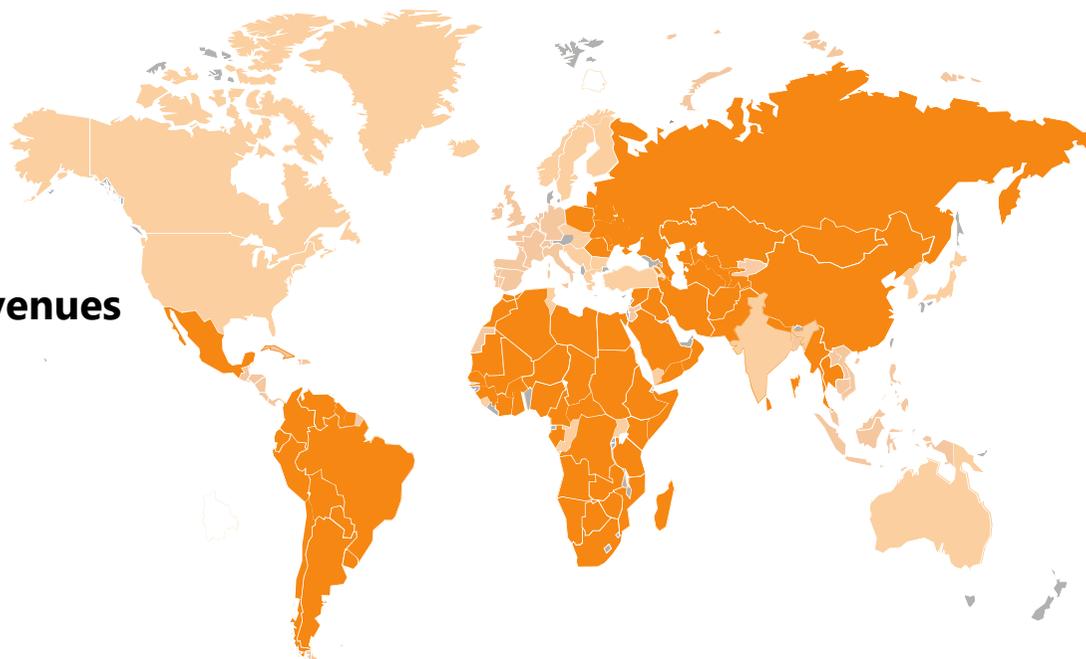
\* Approximation based on brokerage reports

- 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



**14% of Revenues**



# Emerging Markets Business at a glance

## Largest Indian Company in Emerging Markets

### Global footprint

- Presence in over 100 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

- Over 2,300 Sales Representatives

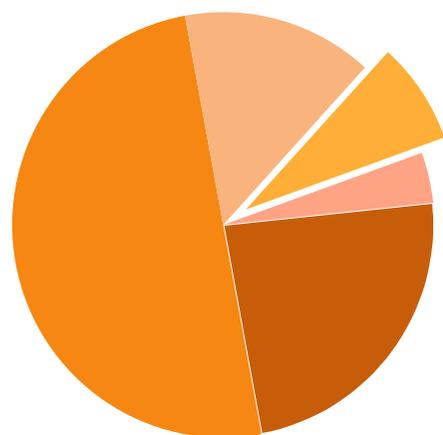
### Opportunity

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

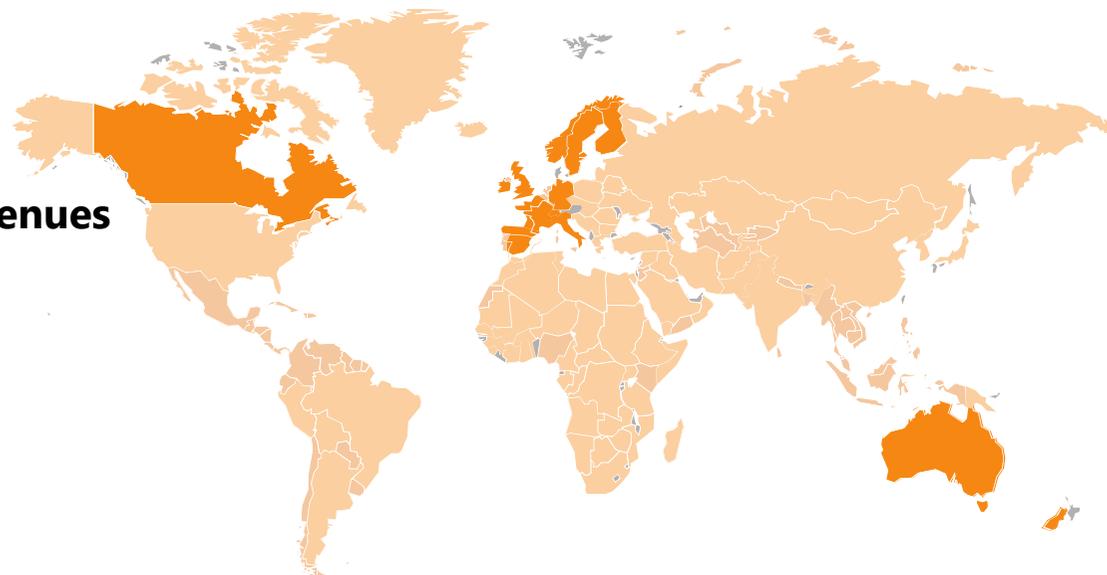
### Local Manufacturing

- Across 10 countries

# Western Europe, Canada, ANZ & Other Markets



8% 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 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, Hungary & Ireland + Servicing from India facilities

# 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

- 5 core markets viz., India, Russia, Romania, Nigeria and Myanmar
- 4 growth markets viz., Ukraine, Poland, South Africa and Sri Lanka

### Strong Brand Equity

- 5 Brands are category leaders across 3 markets - India, Romania and Nigeria

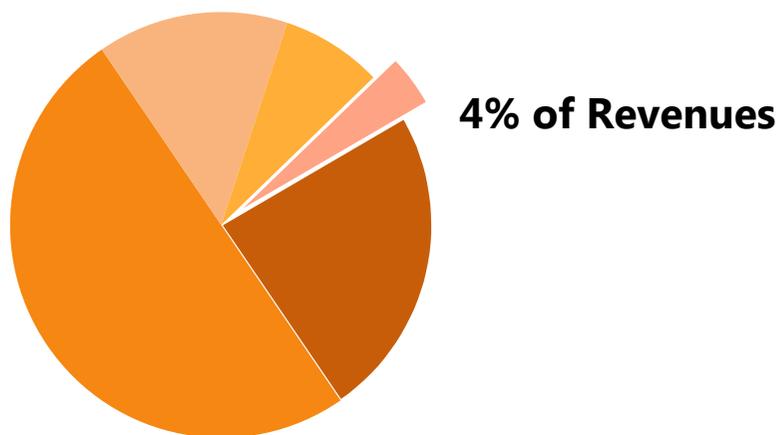
### Sales Force

- 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

- More than 20 APIs scaled up annually

### Regulatory approvals

- 274 DMF/CEP approvals to date
- 393 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

# Research & Development



# Research & Development



Cumulative R&D Spend of Rs 79 billion to date

## R&D Spend

- R&D spend at 7.2% of Net Sales for FY15\*
- 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)

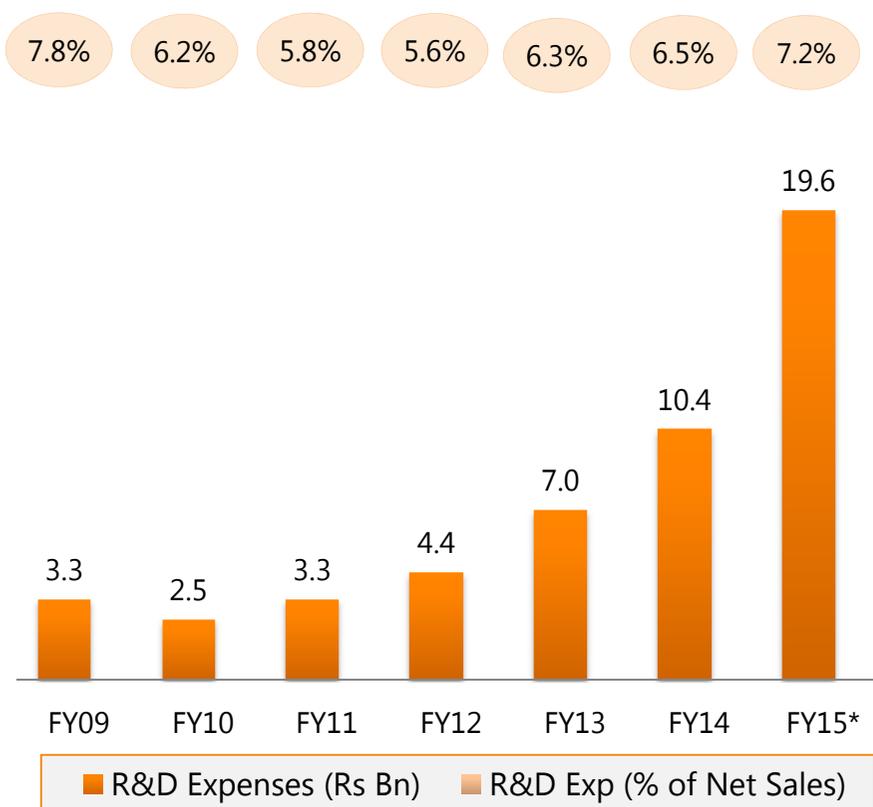
## Focus

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

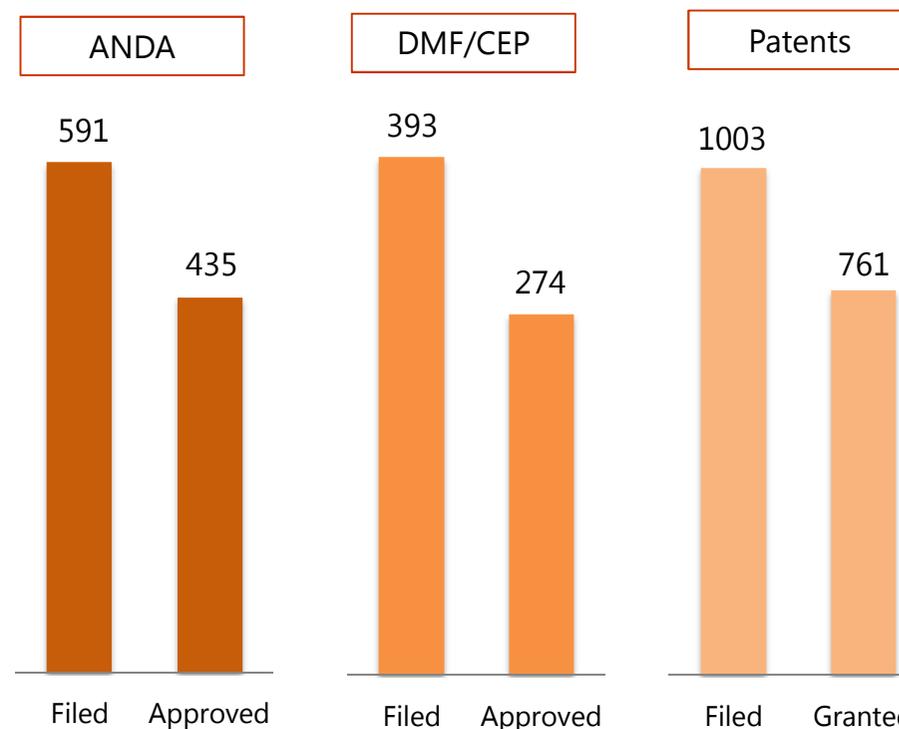
\* FY15 numbers include the impact of Ranbaxy merger

# R&D Investments

## R&D Expenditure



## Filings and Approvals



FY09 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 numbers include the impact of Ranbaxy merger

As of Dec 31, 2015



# Global Manufacturing Presence



# Global Manufacturing Presence

## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 49 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

## Sun Pharma - 19 Manufacturing sites

- India : 8, US : 5
- Canada, Brazil, Mexico, Hungary , Israel, Bangladesh : 1 each
- Capacities available for a variety of finished dosages

## Ranbaxy - 16 Manufacturing sites

- India : 7, US : 1
- Ireland, South Africa, Malaysia, Romania, Brazil, Morocco, Egypt and Nigeria : 1 each

### Orals

- Tablets / Capsules
- Semisolids
- Liquids
- Suppository

### Injectables / Sterile

- Vials
- Ampoules
- Pre-filled Syringes
- Gels
- Lyophilized Units

### Topicals

- Creams
- Ointments

# API Manufacturing



## Sun Pharma - 11 locations

- India : 6, Australia : 2, Israel : 1, US : 1, Hungary : 1

## Ranbaxy - 3 locations

- India : 3

## 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 Directors & Members of Audit Committee



### Ashwin Dani

Non-Executive Vice  
Chairman,  
Asian Paints Ltd.



### Keki Mistry

Vice Chairman  
& CEO, HDFC Ltd.

## Independent Director



### Rekha Sethi

Director General  
All India Management  
Association (AIMA)



### Hasmukh Shah

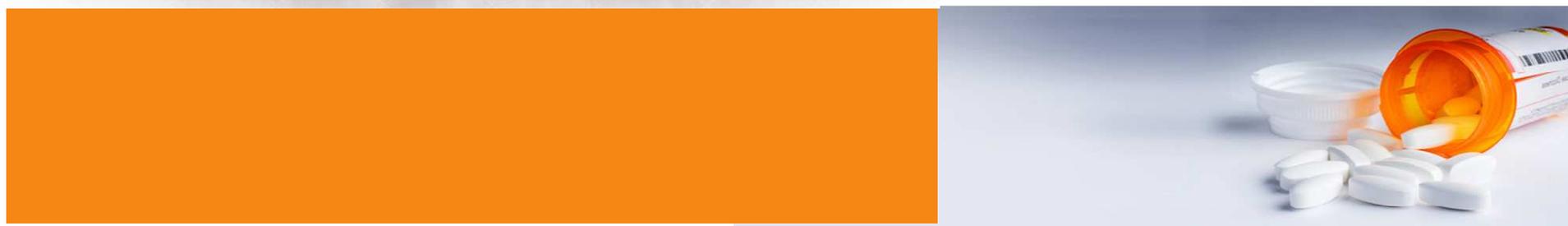
Former Chairman of  
Gujarat Gas & Former  
Chairman & Managing  
Director, IPCL



### S. Mohanchand Dadha

Former Chairman &  
Managing Director, TDPL

# Financials



# Financials



Market Capitalisation Rs. 2,100 billion / US\$ 31 billion

( All Figures in Rs. Mn )

	FY11	YoY	FY12	YoY	FY13	YoY	FY14	YoY	FY15*
<b>P&amp;L Summary</b>									
Net Sales	57,229	43%	80,057	40%	112,389	40%	160,044	42%	272,865
Gross Profit	42,577	46%	63,644	49%	91,592	44%	132,250	44%	205,473
EBITDA	19,518	43%	32,507	67%	49,063	51%	71,141	45%	78,166
Net Profit	18,161	34%	26,567	46%	29,830	12%	31,415	5%	45,394
Net Profit (Adjusted)	18,161	34%	26,567	46%	35,666#	34%	56,589 #	59%	47,771#
R&D Spend	3,313	26%	4,449	34%	7,042	58%	10,418	48%	19,550
<b>BS Summary</b>									
	Mar'11	YoY	Mar'12	YoY	Mar'13	YoY	Mar'14	YoY	Mar'15*
Shareholders Funds	94,833	21%	122,358	29%	149,897	23%	185,250	24%	255,897
Loan Funds	3,651	113%	2,650	-27%	1,982	-25%	24,890		75,963
Net Fixed Assets	27,568	64%	32,742	19%	50,771	55%	58,242	15%	110,201
Investments	22,298	-30%	22,129	-1%	24,116	9%	27,860	16%	27,163
Cash and Bank Balances	22,046	333%	33,672	53%	40,587	21%	75,902	87%	109,980
Inventory	14,895	39%	20,870	40%	25,778	24%	31,230	21%	56,680
Sundry Debtors	11,049	-6%	20,787	88%	24,122	16%	22,004	-9%	53,123
Sundry Creditors	6,454	102%	9,927	54%	10,580	7%	13,283	26%	31,538

Exchange Rate :

For Market Capitalisation US\$1 = Rs 67.88 (As on 31 Jan 2016)

# Adjusted for Rs 5.83 bn provision related to generic Protonix settlement for the year 2012-13 and adjusted for Rs 25.17 bn provision related to generic Protonix settlement for the year 2013-14 and adjusted for Rs 2.4 bn for settlement provision for Texas Medicaid Program litigation for 2014-15

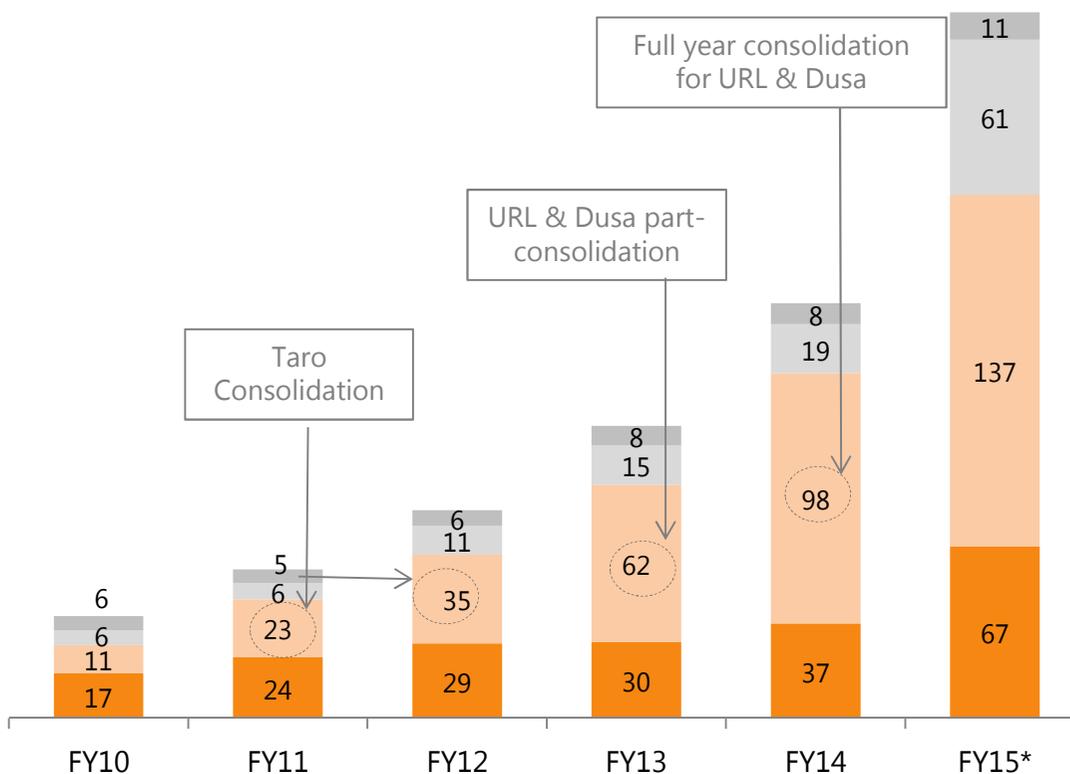
All figures from FY11 to FY14 exclude Ranbaxy acquisition which is effective from 01 April 2014

\* FY15 numbers include the impact of Ranbaxy merger

# Sales Break-up

## In INR Billion

Gross Sales	40	58	81	114	162	276
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■ India Formulations ■ US Formulations ■ Rest of World ■ API+Others

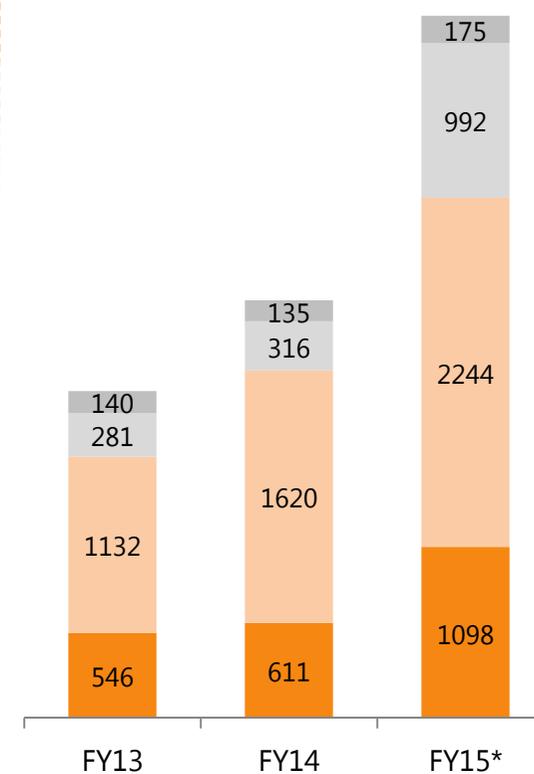
Rest of world includes all formulations sales excluding US & India

FY10 – FY14 numbers exclude Ranbaxy financials

\* FY15 numbers include the impact of Ranbaxy merger

## In USD Million

Gross Sales	2,099	2,682	4,510
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#Exchange Rate : US\$1 = Rs 54.36 (for FY13)

US\$1 = Rs 60.41 (for FY14)

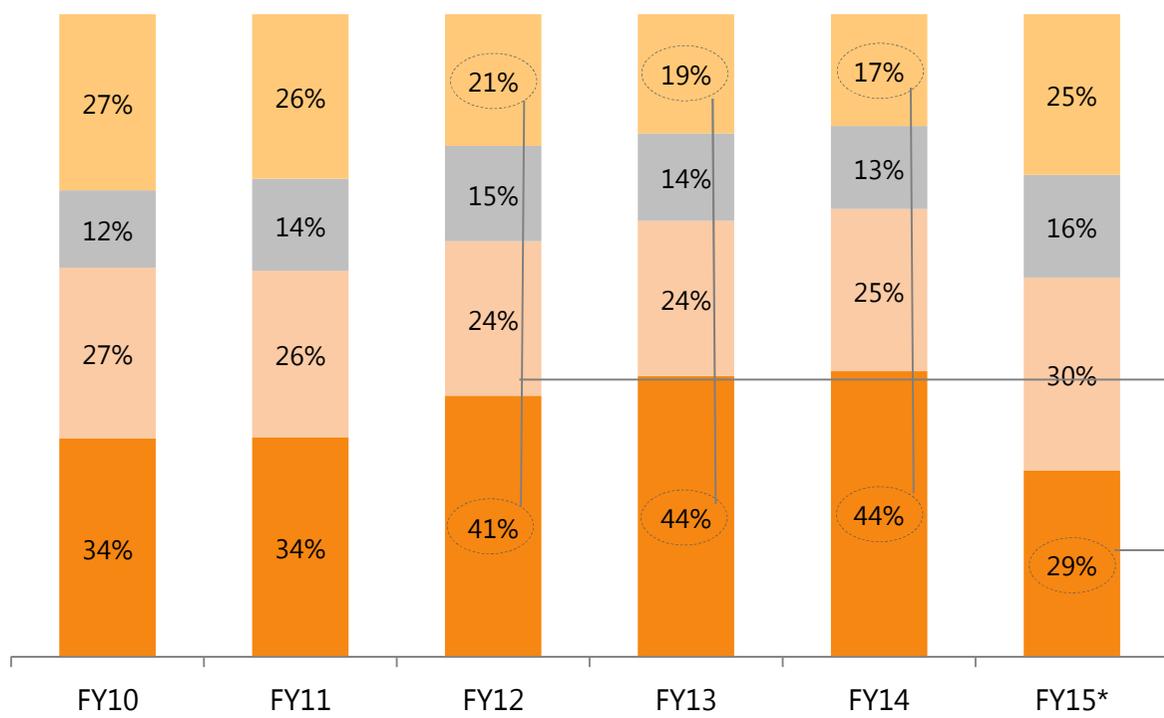
US\$1 = Rs 61.13 (for FY15)

# EBITDA Trend

## In INR Billion

Net Sales	39	57	80	112	160	273
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% of Net Sales



■ EBITDA   
 ■ Other Expenditure   
 ■ Personnel Costs   
 ■ Material Costs

Key drivers include Taro, generic Doxil, Doxycycline & other low competition products in US

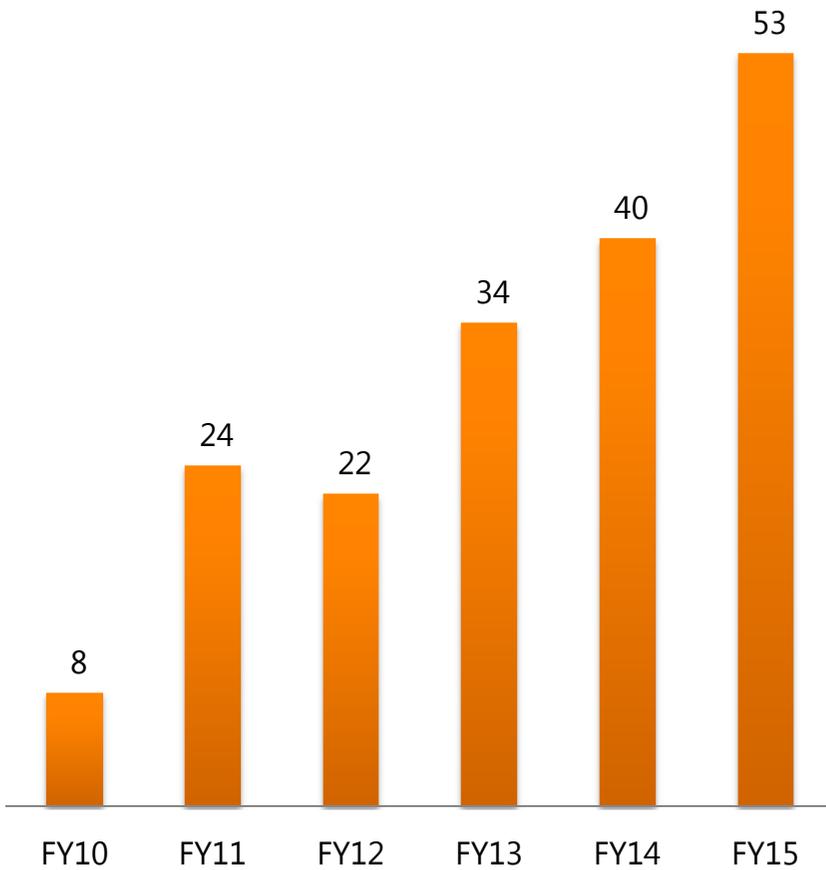
Impact of Ranbaxy acquisition, & temporary supply constraints at Halol facility

FY10 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 numbers include the impact of Ranbaxy merger

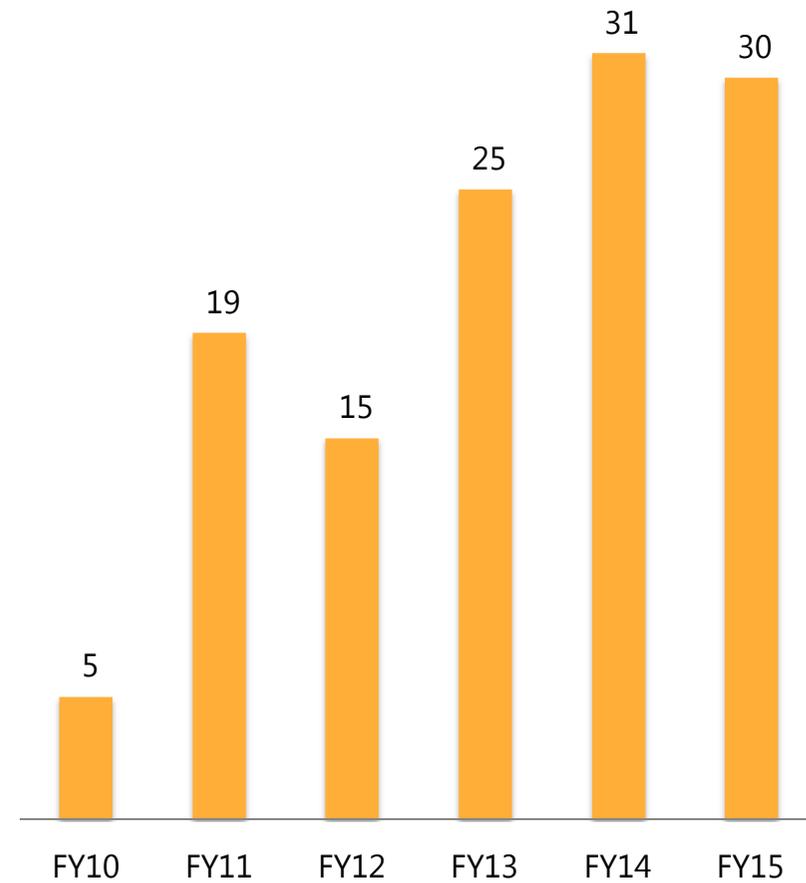
# Cash Flow



**Net Cash From Operating Activities (Rs Bn)**



**Free Cash Flow (Rs Bn)**



# Financial Ratios



	FY11	FY12	FY13	FY14	FY15
<b>Growth (%)</b>					
Net Sales	42.8	39.9	40.4	42.4	70.5
Gross Profit	46.3	49.5	43.9	44.4	55.4
EBITDA	43.2	66.5	50.9	45.0	9.9
Net Profit	34.4	46.3	12.3	5.3	44.5
Net Profit (Adjusted)	34.4	46.3	34.3 #	58.7 #	(15.6) #
<b>Margins (%)</b>					
Gross Margin	74.4	79.5	81.5	82.6	75.3
EBITDA Margin (%)	34.1	40.6	43.7	44.5	28.6
Net Margin	31.7	33.2	26.5	19.6	16.6
Net Margin (Adjusted)	31.7	33.2	31.7 #	35.4 #	17.5 #
<b>Return (%)</b>					
ROCE	20.3	23.8	26.7	26.9	17.8
ROE	21.0	23.8	25.7	30.9	20.4
<b>Others</b>					
Debt / Equity	0.04	0.02	0.01	0.13	0.30
Fully Diluted EPS (Rs) Post bonus	8.8	12.8	14.4	15.2	18.9
Fully Diluted EPS (Rs) Post bonus (Adjusted)	8.8	12.8	17.2 #	27.3 #	19.9 #
<b>R&amp;D Spend % of Net Sales</b>					
Revenue	5.4	5.1	5.9	6.2	6.7
Capital	0.4	0.5	0.4	0.3	0.4

# Adjusted for Rs 5.83 bn provision related to generic Protonix settlement for the year 2012-13.  
 Adjusted for Rs 25.17 bn provision related to generic Protonix settlement for the year 2013-14.  
 Adjusted for Rs 2.4 bn for settlement provision for Texas Medicaid Program litigation for 2014-15.

# Key Financials Q3 FY16



( All Figures in Rs. Mn )

	Q3 FY16	Q3 FY15	CHANGE
Net Sales	70,466	68,855	2%
Gross Profit	52,911	51,728	2%
Gross Margin	75%	75%	
EBITDA	21,335	21,176	1%
EBITDA Margin	30%	31%	
Net Profit	14,166	3,953	258%
Net margin	20%	6%	
R&D	5,826	5,151	13%
R&D as % of Net Sales	8.3%	7.5%	
EPS (Diluted) INR	5.9	1.6	258%

# Sales Breakup Q3 & 9m FY16



( All Figures in Rs. Mn )

	Q3 FY16	Q3 FY15	CHANGE	9m FY16	9m FY15	CHANGE
<b>Formulation</b>						
India	18,903	17,454	8%	54,927	51,528	7%
US	32,003	33,858	-5%	96,066	1,06,719	-10%
Emerging Markets	9,941	10,042	-1%	27,478	29,620	-7%
ROW	5,570	5,597	0%	16,286	18,096	-10%
<i>Sub-total</i>	<b>66,415</b>	<b>66,950</b>	<b>-1%</b>	<b>1,94,757</b>	<b>2,05,962</b>	<b>-5%</b>
Bulk	4,405	2,477	78%	10,265	7,328	40%
Others	207	122	69%	563	631	-11%
<b>Gross Sales</b>	<b>71,028</b>	<b>69,549</b>	<b>2%</b>	<b>2,05,585</b>	<b>2,13,921</b>	<b>-4%</b>

# 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

## 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
- Deliver on the US\$ 300 million synergy benefits from Ranbaxy acquisition by FY18

# FY16 Guidance

## Consolidated Revenues

- To remain flat or show a decline over FY15.

## Consolidated Profits

- In addition to the above revenue impact, profits may be adversely impacted due to certain expenses/charges arising out of integration as well as cGMP remedial actions.

## Ranbaxy integration

- To incur certain integration charges in order to generate long-term synergies

## Synergy

- Target US\$ 300 million in synergy benefits from the Ranbaxy acquisition by FY18

## Investing for Future

- Invest in R&D and in building critical talent for enhancing our ophthalmic and OTC teams in US as well as for forming a dedicated team for Tildrakizumab

# 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>• 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>• 49 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 for 12 months ended Dec 2015



# Thank You!

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CIN: L24230GJ1993PLC019050

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