

FOR IMMEDIATE RELEASE

Sun Pharma reports Q3FY23 results

Q3 Gross Sales at Rs. 111,001 million up 13.1% YoY

Q3 Net Profit at Rs. 21,660 million up 5.2% YoY

Mumbai, January 31, 2023: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the third quarter ending December 31, 2022.

Highlights of Q3FY23 consolidated financials

- Gross sales at Rs. 111,001 million, growth of 13.1% over Q3 last year
- India formulation sales at Rs. 33,919 million, up 7.1% over Q3 last year
- US formulation sales at US\$ 422 million, up 6.3% vs Q3 last year
- Global specialty sales at US\$ 235 million, including US\$12.5 million milestone received in Q3. Ex-milestone, up 21.6% vs Q3 last year
- Global specialty sales, ex-milestone, accounted for 16.5% of Q3FY23 overall sales
- Emerging Markets formulation sales at US\$ 257 million, up 7.7% vs Q3 last year
- Rest of World formulation sales at US\$ 189 million, up 4.8% vs Q3 last year
- R&D investments at Rs. 6,702 million compared to Rs. 5,471 million for Q3FY22
- EBITDA at Rs. 30,037 million, up 15.2% YoY. EBITDA margin for Q3 at 26.7% versus 26.4% for Q3 last year.
- Net profit for the quarter was at Rs. 21,660 million, up by 5.2% over Q3 last year.
- Adjusted for one-offs in Q3FY22 and Q3FY23, Net profit growth higher than EBITDA growth

Highlights of 9mFY23 consolidated financials

- Gross sales at Rs. 325,533 million, growth of 12.1% over same period last year
- India formulation sales at Rs. 102,390 million, up 6.0% over same period last year
- US formulation sales at US\$ 1,254 million, up 10.3% vs Q3 last year
- Emerging Markets formulation sales at US\$ 762 million, up 8.9% vs Q3 last year
- Rest of World formulation sales at US\$ 560 million, up 1.2% vs Q3 last year
- EBITDA at Rs. 88,447 million up 9.8% over same period last year, with resulting EBITDA margin of 26.8%
- Reported Net profit for 9mFY23 was at Rs. 64,891 million, up 16.9% YoY. Excluding the exceptional items of 9mFY22, reported net profit was up by 6.6%

These results were taken on record by the Board of Directors at a meeting held today. The Board has declared an interim dividend of Rs. 7.50 per share for the year FY23 against Rs. 7.0 per share interim dividend for the previous year.

Dilip Shanghvi, Managing Director of the Company said, "Specialty is expected to continue as a key growth driver for Sun. We are investing to scale up this business, especially in our core therapy areas. Proposed Concert acquisition is a step forward in this direction. Concert's lead asset, deuroxolitinib has a potential best-in-class profile in Alopecia Areata, an area of dermatology with high unmet need. We are excited to offer this new treatment option to dermatologists worldwide. Given our commercial strength, we would be well-positioned to bring this product to market."

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India Business – Market Leadership

Sales of formulations in India for Q3FY23 were at Rs. 33,919 million, up 7.1% over Q3 last year. India formulation sales accounted for about 31% of total consolidated sales. For the first 9 months, sales were at Rs. 102,390 million, up 6% over same period last year. Excluding the covid related product sales in the previous year, the sales growth for the first 9 months is 10.3%.

Sun Pharma is ranked No. 1 and holds 8.5% market share in the over Rs. 1,800 Billion Indian pharmaceutical market as per AIOCD AWACS MAT December-2022 report. Corresponding market share for previous period was 8.2%. For Q3FY23, the company launched 25 new products in the Indian market.

US Formulations (including Taro)

Formulation sales in the US were US\$ 422 million recording a growth of 6.3% over Q3 last year; accounting for over 31% of total consolidated sales. For first nine months, sales were US\$ 1,254 million recording a growth of 10.3% over same period last year.

Taro Performance

Taro posted Q3FY23 sales of US\$ 139 million, flat over Q3 last year and net profit of US\$ 7.3 million, compared to US\$ 26.3 million for Q3 last year. For the first nine months, sales were US\$ 426 million, up by 2.0% over the nine month period last year. Net profit for 9mFY23 was US\$ 18.5 million compared to US\$ 30.8 million in 9mFY22.

Emerging Markets

Formulation sales in Emerging Markets were at US\$ 257 million for Q3FY23, a growth of 7.7% over Q3 last year and accounting for about 19% of total consolidated sales for the quarter. For the first nine months, sales were at US\$ 762 million, up by 8.9% over the same period last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets, excluding US and Emerging Markets, were US\$ 189 million in Q3FY23, up by about 4.8% over Q3 last year and accounting for approximately 14% of total consolidated sales. For the first nine months, sales were at US\$ 560 million, up by 1.2% over the same period last year.

Active Pharmaceutical Ingredients (API) – Strategic strength

For Q3FY23, external sales of API were at Rs. 5,154 million, up by 9.4% over Q3 last year. For the first nine months, API sales were at Rs. 15,871 million, up by about 11.6% over the same period last year. Our API business imparts benefits of vertical integration and continuity of supply chain for our formulations business. We continue to focus on increasing API supply for captive consumption for key products.

Research – Investing for future

Consolidated R&D investment for Q3FY23 was at Rs. 6,702 million as compared to Rs. 5,471 million for Q3 last year. For the nine months, R&D expense was at Rs. 17,020 million as compared to Rs. 16,761 million for same period last year.

Our R&D efforts span across both specialty and generic businesses and we continue to invest in building the pipeline for various markets including the US, Emerging Markets, RoW Markets and India. Our specialty R&D

pipeline includes 4 molecules undergoing clinical trials. We have a comprehensive product offering in the US market consisting of approved ANDAs for 517 products while filings for 96 ANDAs await US FDA approval, including 28 tentative approvals. For the quarter, 4 ANDAs were filed. Additionally, the portfolio includes 54 approved NDAs while 13 NDAs await US FDA approval.

Concert Pharma Acquisition

In January-2023, Sun Pharma entered into definitive agreement to acquire Concert Pharmaceuticals Inc. The deal involves payment to Concert shareholders of an upfront cash payment of \$8.00 per share of common stock, or equity consideration of \$576 Million, and plus one Contingent Value Right per share of common stock, which represents the right to receive for up to \$3.50 per share of common stock upon achievement of certain time-based net sales milestones. The acquisition would add a late-stage asset – deuruxolitinib for treating Alopecia Areata – to Sun's offering in dermatology. The transaction is expected to be completed in the first quarter of Calendar 2023.

Sales and R&D

(₹ in mn)

Particulars	Quarter ended			9 month ended		Year ended
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
India Formulations	33,918.7	34,600.3	31,675.6	102,390.0	96,637.1	127,593.4
US Formulations	34,659.7	32,912.6	29,717.7	100,009.4	84,490.8	113,736.6
Emerging Market	21,157.9	20,704.2	17,899.1	60,772.9	51,957.1	67,431.6
ROW Formulations	15,562.5	14,440.9	13,531.5	44,681.6	41,137.5	54,544.5
Total Formulations	105,298.8	102,658.0	92,823.9	307,853.9	274,222.5	363,306.1
Bulk	5,154.3	4,729.8	4,710.3	15,871.2	14,217.6	18,354.3
Others	548.3	704.1	607.5	1,807.9	1,963.3	2,603.8
Total Sales	111,001.4	108,091.9	98,141.7	325,533.0	290,403.4	384,264.2
Total R&D Expenditure	6,701.7	5,709.8	5,471.0	17,019.7	16,761.1	22,194.0
Capital	162.7	126.1	246.8	398.7	625.1	868.9
Revenue	6,539.0	5,583.7	5,224.2	16,621.0	16,136.0	21,325.1
Exchange Rates : \$ 1 = ₹	82.22	79.83	74.94			

Disclaimer:

Statements in this "Document" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. The Company undertakes no obligation to update or revise forward looking statements to reflect developments or circumstances that arise or to reflect the occurrence of unanticipated developments/circumstances after the date hereof.

Earnings Call (06.30 pm IST, January 31, 2023)

The Company will host an earnings call at 06.30 pm IST on January 31, 2023, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference

Participants can dial-in on the numbers below
Universal number: +91 22 6629 0049
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*Pre-registration details
(to avoid wait time)*

Click here [DiamondPassRegistration](#)

Playback of call: +91 22 7194 5757, PlaybackCode: 02713

Web-cast

More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call. The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

About Sun Pharmaceutical Industries Limited (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enables it to deliver high-quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. Its global presence is supported by manufacturing facilities spread across 6 continents and approved by multiple regulatory agencies, coupled with a multi-cultural workforce comprising over 50 nationalities. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 6% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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