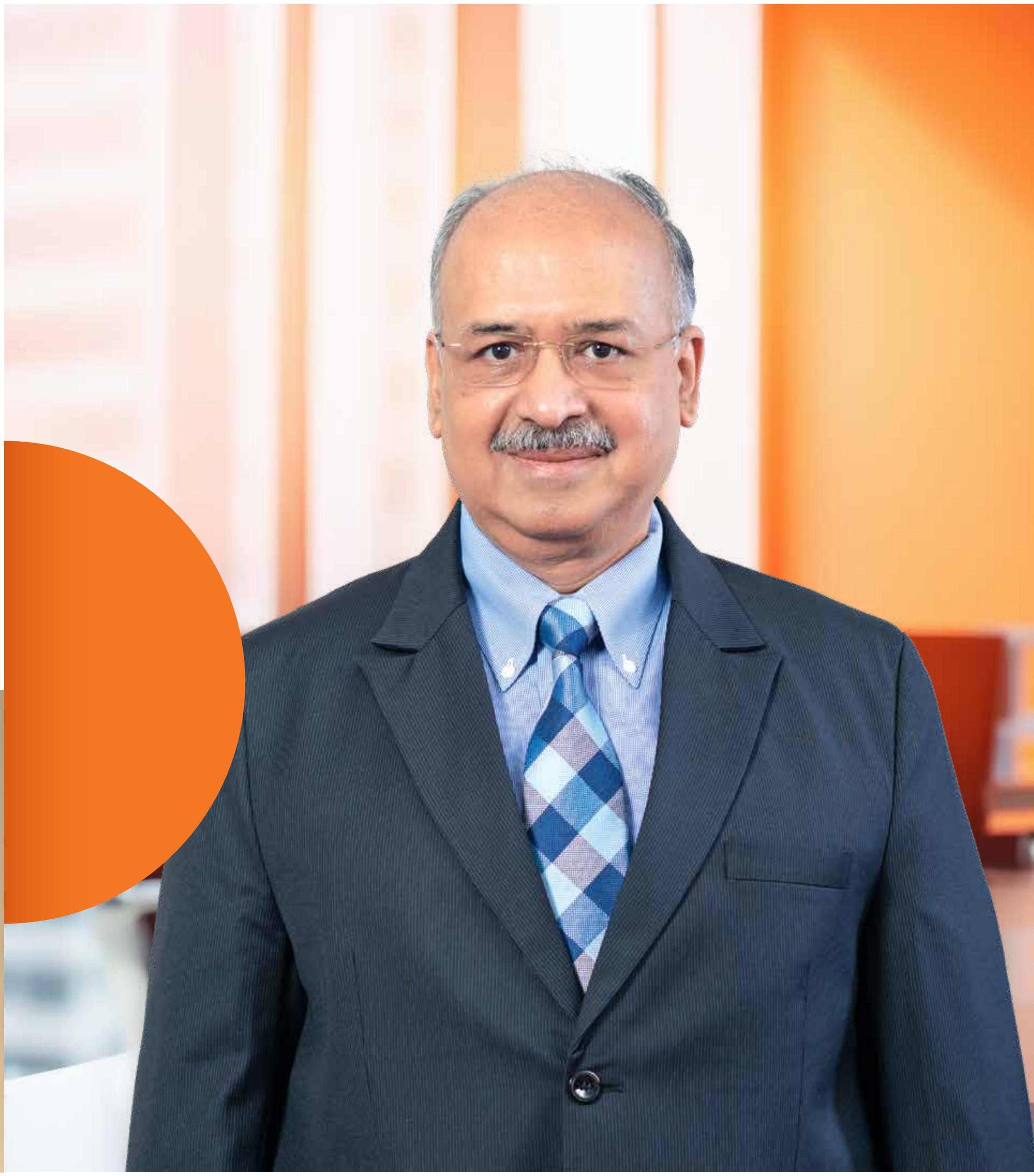
# Message from the Executive Chairman



We stay committed to building a business that combines scale with differentiation — strengthening our presence across markets, deepening capabilities in select therapy areas and steadily increasing the contribution of branded and Innovative Medicines businesses within our portfolio.

## Dear Shareholders,

FY26 was another year of steady progress for Sun Pharma as we continued to strengthen our business and build capabilities for the future. Over the last several years, the operating environment for the global pharmaceutical industry has changed significantly. Product development has become more complex, and regulatory expectations have increased. Healthcare systems across markets are placing greater emphasis on differentiated therapies, with the choice of therapies driven by clinical outcomes and their long-term value to the community. Incrementally, there is an increasing emphasis on investing in local pharmaceutical infrastructure and expectations of lower drug pricing across markets.

These changes continue to shape Sun Pharma's resolve to stay nimble and responsive in a fast-changing environment. We stay committed to building a business that combines scale with differentiation – strengthening our presence across markets, deepening capabilities in select therapy areas and steadily increasing the contribution of branded and Innovative Medicines businesses within our portfolio.

Subsequent to the close of the financial year, Sun Pharma announced the acquisition of Organon & Co, which marks another important step in advancing our long-term vision. This development strengthens our position as a global pharmaceutical company with a favourable portfolio mix, while expanding our footprint across key international markets. The combination of capabilities will enable us to become an increasingly important stakeholder across global healthcare ecosystems. We believe this acquisition positions Sun Pharma well to pursue sustained growth while continuing to invest in innovation, quality medicines and improved patient outcomes.

While we aspire to increase our global footprint, India remains an important part of Sun Pharma's story. The country has strengthened its position in the global pharmaceutical industry through its manufacturing scale, scientific and commercial talent and ability to supply high-quality medicines competitively across markets. It is heartening to note that Indian pharmaceutical companies are participating more actively in complex generics, specialty products and innovation-led segments globally, further boosting local infrastructure and the availability of a talent pool.

## Evolving into a More Balanced Business

Our India business continues to remain a strong growth engine for the Company, supported by rising healthcare awareness, improving diagnosis, treatment compliance and increasing affordability. During the year, we retained our position as #1 pharmaceutical company in India, with an 8.4% market share and leadership across 11 different doctor categories based on prescription volumes. Just like the past several years, I am pleased to note that our growth was led by an increase in volume and new product launches versus price increases.

Our US business has continued to evolve significantly over time, with a higher share coming from Innovative Medicines every passing year. While generics remain an important part of the portfolio, the business growth is increasingly driven by Innovative Medicine therapies. Emerging Markets and Rest of World businesses provide diversification and long-term growth opportunities. This evolution is expected to create a more balanced business than we had a few years ago, with less dependence on any single geography or commoditised opportunities. The share of Branded Generics and Innovative Medicines businesses has increased steadily over the last decade, improving the overall balance and resilience of the portfolio. The addition of Organon will further accelerate this move towards achieving balance.

Today, Sun Pharma operates across more than 100 countries with businesses spanning Innovative Medicines, branded generics, generics and APIs. Going forward, our positioning will increasingly be shaped by the combination of global reach and a differentiated innovation platform, where we will continue to deepen capabilities and build long-term strategic advantage. With the addition of the Women's Health business of Organon, Sun Pharma will be among a handful of innovative companies with a presence in four or more therapy areas globally, adding to our presence in dermatology, ophthalmology and onco-dermatology.

## Building Long-term Capabilities

A key strategic priority for us over the last several years has been the development of our Innovative Medicines business. This year we brought two new treatments to market, namely LEQSELVI and UNLOXCYT, adding further to our offerings across our focus therapy areas. Today, the Innovative Medicines business accounts for 22% of consolidated sales.

Our approach in this business has remained selective and focused, with emphasis on therapy areas where we believe we can build depth and long-term capabilities. Today, we market 29 Innovative Medicines globally, supported by dedicated commercial infrastructure in the US and select international markets.

Our innovation strategy continues to balance long-term investments with near-term business priorities by focusing on bringing new treatments to market with clear clinical distinction and commercial potential. During FY26, R&D investments remained at 6.1% of sales, with increasing focus on innovative programmes.

**6.1%**

R&D spend as percentage of total sales in FY26

**During the year, we implemented a planned leadership transition, with Kirti Ganorkar taking over as Managing Director while I continue as Executive Chairman. The transition reflects continuity in values and culture, while bringing renewed execution focus as the organisation scales globally.**

Regulatory developments, geopolitical uncertainty and supply chain unpredictability are influencing business planning more significantly. Managing regulatory complexity remains an important priority for the Company. We also retain sustained focus on quality systems, compliance, transparency and proactive engagement with regulators across markets. This is supported by our approach to supply chain resilience, which has evolved through diversification of sourcing, improved forecasting capabilities and strengthening of quality systems across operations.

## Leadership for the Next Phase of Growth

As the Company has evolved into a larger and more diversified global organisation, leadership depth and organisational capability have become increasingly important. Over the years, we have focused on building a strong management team, strengthening execution capabilities and creating an organisation that can scale up while remaining agile and entrepreneurial in its approach.

During the year, we implemented a planned leadership transition, with Kirti Ganorkar taking over as Managing Director while I continue as Executive Chairman. The transition reflects continuity in values and culture, while bringing renewed execution focus as the organisation scales globally. The Company's entrepreneurial spirit, cultural integrity and patient-centric purpose remain unchanged while the next phase of leadership brings renewed energy to scale the business responsibly. Kirti has played an important role in the evolution of several parts of our business over the years, and I remain confident in the Company's ability to build on the progress achieved so far.

As Sun Pharma continues to grow globally, our governance frameworks are also evolving in parallel, strengthening oversight and reinforcing accountability.

## Responsibility and Resilience

Sustainability considerations are increasingly integrated into business decision-making, particularly across manufacturing, energy usage, operational efficiency and product access. Environmental efficiency and workforce development are becoming increasingly important from a long-term resilience perspective.

During the year, approximately 52.6% of our total energy consumption came from renewable energy sources, while Scope 1 and Scope 2 emissions reduced by 16.7% against baseline levels. Sun Pharma today has a workforce of more than 47,000 employees globally and continues to invest in capability development, employee well-being, and the development of an inclusive and performance-oriented culture.

Through our CSR initiatives, we continue to support programmes across healthcare, education and community development; and we impacted the lives of over one million beneficiaries during the year.

## The Road Ahead

The direction we have pursued over time is reflected in a more diversified business with stronger capabilities across markets and therapy areas. We remain focused on strengthening the quality of growth, advancing innovation with discipline and building long-term resilience across the organisation.

I remain confident that Sun Pharma's best years lie ahead. The Company remains rooted in its guided purpose and a clear long-term vision.

I take this opportunity to thank our people for their commitment, our partners for their collaboration, and our shareholders for their continued trust as we steer ahead confidently towards the future.

Warm regards,

**Dilip Shanghvi**
Executive Chairman

# Message from the Managing Director

**During FY26, our global consolidated revenues grew by 11.9% to ₹ 582 Billion, while EBITDA increased by 16.1% to ₹ 177 Billion. Performance during the year reflected broad-based growth across businesses, supported by improving portfolio mix, disciplined execution and increasing contribution from branded and innovation-led businesses.**

**Kirti Ganorkar**
Managing Director

## Dear Stakeholders,

It is an honour to take on the responsibility of leading Sun Pharma at a time when the Company is evolving into a more diversified and globally integrated organisation. Having grown with this organisation over the years, I have experienced and hopefully imbibed the visionary and entrepreneurial spirit that continues to shape Sun Pharma. I look forward to building on this foundation together with our teams across the world.

FY26 was a year of steady progress for the Company as we continued to strengthen our business across markets while navigating a complex external environment. Regulatory shifts, pricing pressure, geopolitical uncertainty and evolving trade dynamics continued to influence the global pharmaceutical sector during the year. Our focus has remained on disciplined execution, improving portfolio quality and strengthening operational resilience that support long-term growth across markets.

Over the years, the Company has evolved into a more balanced and globally diversified organisation with growing contribution from branded and innovation-led businesses. During FY26, we continued in this direction through progress across Innovative Medicines, sustained momentum in India, strong performance in Emerging Markets and continued investments in quality, manufacturing and organisational capabilities.

## Delivering Strong Performance

During FY26, our global consolidated revenues grew by 11.9% to ₹ 582 Billion, while EBITDA increased by 16.1% to ₹ 177 Billion. Net profit grew by 5.0% to ₹ 115 Billion. Performance during the year reflected broad-based growth across businesses, supported by improving portfolio mix.

Our India Formulation sales grew by 14% to ₹ 193 Billion and contributed around 33% of consolidated revenues. According to Pharmarack MAT March 2026 report, our market share improved to 8.4%, supported by strong execution across chronic therapies, new product launches, deeper doctor engagement, field-force expansion, and improving market reach. During the year, we continued to outperform the industry through volume-led growth while strengthening prescriber engagement and expanding our presence across Tier-II and Tier-III markets.

US Formulation sales saw a slight dip of 0.9% to US$ 1,904 Million, with the growth in Innovative Medicines offsetting the decline in Generics business. Emerging Markets continued to perform well during the year, with sales growing by 13.6% to US$ 1,265 Million. Key markets, including Brazil and Romania, delivered strong performance supported by Innovative Medicines and strengthening commercial capabilities.

Sales across Rest of World markets grew by 14.4% to US$ 969 Million. Increasing contribution from Innovative Medicines helped offset pressure within the generics portfolio and supported overall business momentum across these markets.

## Advancing Our US Portfolio Mix

For the first time during the year, Innovative Medicines contributed a higher share of US sales than US generics. While our effort is to grow both Generics and Innovative Medicines, a shift in mix improves the overall sustainability and resilience of the business.

Growth in the Innovative Medicines portfolio was supported by products such as ILUMYA, ODOMZO, WINLEVI and CEQUA, which continue to strengthen their presence across markets. FY26 saw us launch LEQSELVI for severe alopecia areata and UNLOXCYT for advanced cutaneous squamous cell carcinoma in the US. Adding LEQSELVI to our dermatology portfolio represents an important advancement for the alopecia areata community, while UNLOXCYT expands our presence in oncology and onco-dermatology for patients with advanced cutaneous squamous cell carcinoma who are not candidates for curative surgery or radiation.

Today, our Innovative Medicines portfolio spans 29 marketed products globally and contributes 22% of consolidated sales. During FY26, we continued to scale this platform through focused geographic expansion, lifecycle management initiatives and disciplined commercial execution. ILUMYA is now marketed in more than 35 countries, reflecting our expanding commercial footprint for Innovative Medicines. In FY26, ILUMYA sales recorded a growth of 16.7%.

Our approach remains focused on therapy areas where we believe we can build depth, differentiation and long-term leadership. We continued to advance programmes selectively with emphasis on clinical relevance and long-term commercial potential.

The operating environment in the US remained challenging during the year. Structural pricing pressure, tariff-related uncertainty and evolving trade policies influenced market dynamics, while compliance-related constraints at certain of our facilities impacted the pace of product launches. Our focus remained on supply continuity, remediation efforts, improvement of quality systems and operational readiness across the manufacturing network.

**India continues to remain a cornerstone of our business and an important contributor to growth. During FY26, the India business delivered strong performance driven by continued momentum across chronic therapies, improving prescriber engagement and deeper market reach.**

**We also entered the GLP-1 receptor agonist category in India with the launch of semaglutide under the brand names Noveltreat and Sematrinity.**

## Sustaining Leadership in India

India continues to remain a cornerstone of our business and an important contributor to growth. During FY26, the India business delivered strong performance driven by continued momentum across chronic therapies, improving prescriber engagement and deeper market reach. Our portfolio continued to strengthen across therapies such as cardiology, neuropsychiatry, gastroenterology and diabetology, reinforcing our leadership across several key segments.

During the year, we also entered the GLP-1 receptor agonist category in India with the launch of semaglutide under the brand names Noveltreat and Sematrinity. This marks our entry into an important and fast-growing therapy space linked to diabetes and chronic weight management. Alongside portfolio expansion, we continued to strengthen field-force effectiveness, improve prescriber coverage and selectively expand presence across Tier-II and Tier-III markets.

## Expanding our Global Presence

Our Emerging Markets and Rest of World businesses also delivered strong performance during the year, supported by Innovative Medicines, strengthening commercial capabilities as well as currency tailwinds. These businesses provide long-term growth opportunities while deepening our presence across geographies.

Our approach across international markets remains focused on disciplined execution and building stronger local market presence while carefully navigating pricing and regulatory complexities across regions.

## Strengthening the Operational Foundation

As we continue to scale globally, operational discipline and quality systems remain fundamental priorities. During FY26, we continued to invest in strengthening manufacturing systems, digital capabilities, supply chain resilience and compliance processes across operations. We also expanded the use of digital and AI-enabled tools across manufacturing, commercial and corporate functions to support better planning, improved productivity and stronger execution discipline.

Alongside this, we persisted in strengthening supply chain resilience through sourcing diversification and enhanced operational flexibility. These measures remain important in managing uncertainty across global supply chains and maintaining continuity for customers and patients.

Equally important has been the sustained investment in people and organisational capability. As our business becomes more diversified, strengthening leadership depth, building future-ready talent and enhancing cross-functional capabilities remain important priorities for us. During the year, we continued to focus on capability development and strengthening performance culture across businesses.

We also strengthened our ESG framework and governance practices across operations, with increasing focus on sustainability, responsible manufacturing and long-term operational resilience. During the year, 52.6% of our energy requirements were met through renewable sources, while GHG emissions and absolute water consumption reduced by 16.7% and 20.2%, respectively, compared to the 2020 baseline year.

**52.6%**

of our energy requirements were met through renewable sources

## Looking Ahead

We will continue to focus on scaling Innovative Medicines, strengthening our market positions across geographies and improving operational effectiveness across the organisation. Key priorities for FY27 include scaling recently launched products such as LEQSELVI and UNLOXCYT in the US, sustaining momentum across India and international markets, and restoring facilities to full regulatory compliance.

**The recently announced agreement to acquire Organon represents another important step towards strengthening our global Innovative Medicines portfolio and expanding our scale across international markets. Ensuring timely closure and enabling effective integration planning will remain key priorities.**

The recently announced agreement to acquire Organon represents another important step towards strengthening our global Innovative Medicines portfolio and expanding our scale across international markets. Ensuring timely closure and enabling effective integration planning will remain key priorities.

The external environment is expected to remain dynamic, with evolving regulatory frameworks, pricing-related developments and geopolitical uncertainty continuing to influence the industry. Despite the challenges, we believe the long-term opportunities for differentiated, science-led and globally diversified pharmaceutical companies remain significant.

I remain confident in the strength of Sun Pharma's foundations, the capabilities of our people and the long-term opportunities ahead of us. Our focus will remain on building a globally competitive organisation that continues to create meaningful value for patients, healthcare systems and stakeholders.

I extend my gratitude to all our employees for their commitment and dedication, our partners for their continued collaboration and our shareholders for their trust and support. Together, we will continue to build a stronger, more innovative and globally competitive organisation.

Warm regards,

**Kirti Ganorkar**
Managing Director

# Board of Directors

## Dilip Shanghvi
*Executive Chairman*

## Kirti Ganorkar
*Managing Director*

## Gautam Doshi
*Independent Director*

## Rolf Hoffmann
*Independent Director*

## Dr. Andreas Eugen Busch
*Independent Director*

## Aalok D. Shanghvi
*Whole-time Director and Chief Operating Officer*

**Dr. Pawan Goenka**

*Lead Independent Director*

**Satyavati Berera**

*Independent Director*

**Vidhi D. Shanghvi**

*Whole-time Director and Head - CHC*

# Leadership Team

**Aalok D. Shanghvi**
*Whole-time Director and Chief Operating Officer*

**Richard Ascroft**
*CEO - North America*

**Hellen de Kloet**
*Head - Western Europe Business and ANZ*

**Jayashree Satagopan**
*Chief Financial Officer*

**Dheeraj Sinha**
*Chief Information Officer*

**Suresh Rai**
*Chief Human Resource Officer*

**Vidhi D. Shanghvi**
*Whole-time Director and Head - CHC*

**Sridhar Shankar**
*Head - Centre for Global Product and Innovation*

**Erik Zwicker**
*Global General Counsel*

**Reem Malki**
*Chief Quality Officer*

**S. Damodharan**
*CEO – API Business &*
*Head - R&D Gx*

**Sreenivas Rao**
*Head - Global Supply Chain*

**Rahul Awasthi**
*Head - Sun Global Operations*

**Dr. Robert Stein**
*Senior Advisor - Specialty R&D*

# Management Discussion and Analysis

## Global Pharmaceutical Industry Overview[1]

The global pharmaceutical industry continues to evolve through a phase of structural transformation, supported by sustained innovation, shifting disease burden and expanding access to healthcare. Despite macro-economic pressures, including inflationary trends and geopolitical uncertainties, global health systems have demonstrated resilience, sustained growth momentum and accelerated adoption of novel therapies.

Global medicine spending remains on a steady growth trajectory and is expected to reach approximately US$ 2.4 Trillion by 2029, reflecting a projected CAGR of 5-8%. This growth is being driven by continued uptake of innovative therapies, expansion of existing brands and increasing healthcare access across emerging markets. Notably, growth patterns have become more divergent across regions, with certain developed markets witnessing moderation and emerging regions driving incremental demand.

The pace of therapeutic innovation has remained strong, with over 1,000 novel active substances launched globally over the past two decades, including 394 substances in the past five years. However, access to these innovations varies considerably across geographies. While developed markets continue to lead in availability, low- and middle-income countries continue to face constraints in accessing recently launched therapies. This disparity continues to influence global usage and spending patterns.

Biologic medicines accounted for approximately 42% of new drug launches over the past five years, highlighting their growing importance in the pharmaceutical landscape.

Specialty medicines, particularly those targeting chronic, complex and rare conditions, are expected to represent a growing proportion of global pharmaceutical expenditure over the next few years. At the same time, biosimilar competition is expanding, improving affordability and enabling broader patient access in several markets.

In terms of therapy areas, oncology, neurology and metabolic disorders continue to be key growth drivers. Oncology spending remains the largest contributor globally, supported by continued innovation and increasing treatment adoption. The rapid uptake of GLP-1 therapies for diabetes and obesity, particularly in developed markets, is reshaping treatment paradigms and contributing to strong growth in metabolic care. Meanwhile, advancements in neurology, including therapies for Alzheimer's and mental health conditions, are expected to support future growth.

Global medicine usage trends have remained relatively flat in recent years, with overall volume growth estimated to grow at a low single-digit rate of around 0.8% annually and effectively remaining flat when adjusted for population growth. While developed markets continue to exhibit high per capita consumption, emerging markets across Asia and Latin America are witnessing relatively faster growth, driven by improved access and rising healthcare awareness. However, disparities in per capita usage persist, particularly in regions such as Africa and parts of the Middle East, where infrastructure and affordability constraints remain key challenges.

Spending growth across regions is increasingly being shaped by product mix, with higher adoption of premium and innovative therapies driving value growth, even as volume trends remain moderate. Developed markets continue to lead in innovation-driven spending, supported by new product launches, while the impact of loss of exclusivity and pricing pressures remains significant. In contrast, emerging markets continue to rely on generics and cost-effective alternatives, with growth largely driven by volume expansion.

The US trade and funding environment has created near-term headwinds for innovator companies as well as those manufacturing products outside the US. Most Favoured Nation or MFN pricing models are expected to be implemented from 2026, placing downward pressure on drug prices and creating near-term uncertainty for the industry. Potential adverse outcomes from ongoing Section 232 tariff investigations add further pressure, while trade and pharma-specific agreements may offer partial reprieve through negotiated exemptions and transitional relief.

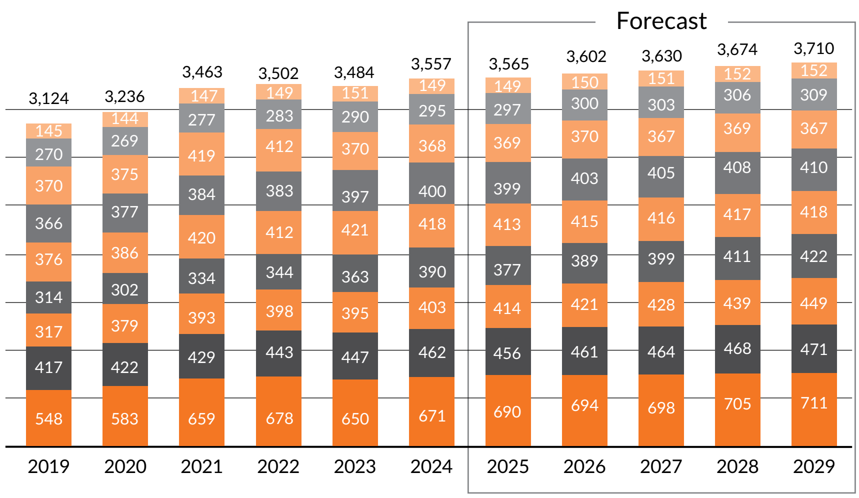
The increasing role of biosimilars and generics is also influencing market dynamics, particularly in cost-sensitive regions, where they are improving access to treatment while containing healthcare expenditure. At the same time, healthcare systems globally are recalibrating pricing and reimbursement frameworks, with a growing focus on value-based care and outcome-driven models.

Digital transformation continues to reshape the pharmaceutical value chain, with growing adoption of data analytics, artificial intelligence and real-world evidence to enhance drug discovery, optimise clinical trials and improve patient outcomes. These advancements are enabling companies to improve operational efficiency while strengthening patient engagement.

Overall, the global pharmaceutical industry remains well-positioned for sustained growth, supported by innovation, increasing access to novel therapies and evolving healthcare needs. However, balancing affordability with rapid advancements will remain critical as stakeholders navigate an increasingly complex and dynamic healthcare landscape.

## Global Pharmaceutical Industry Growth: 2019-2029[1]

(Defined Daily Doses in Billions)




| CAGR % 2025-2029 | |
|---|---|
| Global | 0.8 |
| Japan | 0.4 |
| North America | 0.9 |
| Africa and Middle East | 3.7 |
| Eastern Europe | 0.5 |
| India | 0.0 |
| China | 1.6 |
| Latin America | 2.2 |
| Western Europe | 0.4 |
| Asia-Pacific | 1.2 |

Source: IQVIA Institute, June 2025

### Global Pharmaceutical Market

(US$ Billion)

| Region | 2024 | 2020-2024 CAGR | 2029 | 2025-2029 CAGR |
|---|---|---|---|---|
| Developed Markets | 1,421.5 | 8.2% | 1,945-1,975 | 5.5-8.5% |
| Pharmerging Markets | 312.2 | 6.0% | 375-405 | 3.5-6.5% |
| Other Markets | 16.1 | 1.0% | 18-22 | 2-5% |
| **Global Pharmaceutical Market** | **1,749.8** | **7.7%** | **2,355-2,385** | **5-8%** |

### Global Pharmaceutical Market: Share by Product Type[1]

(% of Total)

| Region | Original Brands (%) | | Non-original Brands (%) | | Unbranded Generics (%) | | OTC, Vaccines & Others (%) | | Total (US$ Billion) | |
|---|---|---|---|---|---|---|---|---|---|---|
| Year | 2024 | 2029 | 2024 | 2029 | 2024 | 2029 | 2024 | 2029 | 2024 | 2029 |
| Developed Markets | 77 | 79-81 | 8 | 7-8 | 9 | 6-8 | 6 | 5-6 | 1,422 | 1,945-1,975 |
| Pharmerging Markets | 28 | 28-36 | 34 | 30-37 | 13 | 10-16 | 25 | 20-27 | 312 | 375-405 |
| Other Markets | 27 | 14-39 | 52 | 36-67 | 5 | 3-6 | 16 | 11-19 | 16 | 18-22 |
| **Global Markets** | **68** | **71-73** | **13** | **11-13** | **10** | **7-8** | **9** | **8-9** | **1,750** | **2,355-2,385** |

## Developed Markets

Developed markets remain primary contributors to global pharmaceutical spending, driven by strong uptake of innovative therapies and specialty medicines. As per IQVIA, spending across developed markets reached US$ 1,422 Billion in 2024, reflecting a CAGR of 8.2% during 2020-2024.

Going forward, growth is expected to moderate, with spending projected to reach US$ 1,945-1,975 Billion by 2029, at a CAGR of 5.5-8.5%. This moderation reflects pricing pressures, loss of exclusivity and policy interventions, partially offset by continued innovation.

### Developed Markets - Pharmaceutical Spending and Growth[1]

(US$ Billion)

| Region | 2024 | 2020-2024 CAGR | 2029 | 2025-2029 CAGR |
|---|---|---|---|---|
| Top 10 Developed Markets | 1,194.5 | 8.2% | 1,635-1,665 | 5-8% |
| Other Developed Markets | 227.0 | 7.8% | 295-325 | 5.5-8.5% |
| **Total Developed Markets** | **1,421.5** | **8.2%** | **1,945-1,975** | **5.5-8.5%** |

# United States (US)[1]

Pharmaceutical spending in the United States is expected to continue its steady growth trajectory through 2029, driven by a combination of innovation-led demand, sustained usage of existing therapies and structural shifts in pricing dynamics.

At invoice prices, medicine spending in the US is projected to increase by approximately US$ 344 Billion through 2029, higher than the US$ 290 Billion increase recorded over the previous five-year period, indicating an acceleration in overall market expansion. By 2029, total invoice-level spending is expected to reach US$ 1,156 Billion.

A key driver of growth will continue to be the increased usage of existing protected branded products. These therapies are expected to contribute approximately US$ 388 Billion in incremental spending over the next five years, significantly higher than the prior period. This reflects sustained demand for established innovative therapies and continued expansion in treatment penetration across major therapeutic areas.

Innovation will remain a strong structural driver of the market. More than 250 new active substances (NASs) are expected to launch over the next five years, contributing approximately US$ 117 Billion in additional spending. These launches are expected to be concentrated across oncology, immunology and other specialty segments, along with continued expansion in chronic disease areas such as diabetes, obesity and neurology.

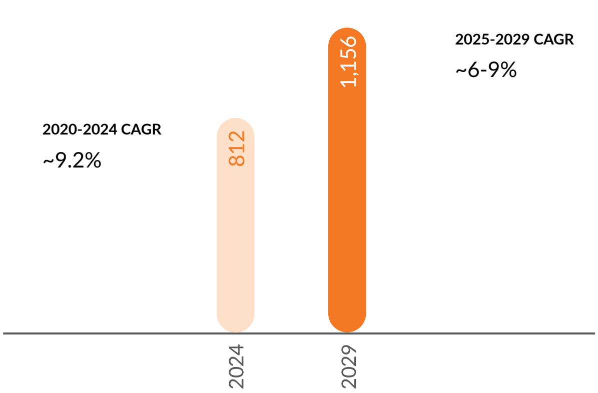
At the same time, the impact of loss of exclusivity is expected to intensify significantly. LOE-related erosion is projected to reach US$ 179 Billion, compared to US$ 49 Billion in the prior five-year period, reflecting higher exposure of both small molecule and biologic products to loss of exclusivity. While generics and biosimilars continue to enter the market, their overall impact on growth remains moderated, as price deflation largely offsets volume gains from loss of exclusivity.

Pricing dynamics are expected to remain a key moderating factor. Off-invoice discounts and rebates are projected to expand further, reaching approximately 49% of invoice spending by 2029, leading to a widening gap between invoice and net spending trends. As a result, while invoice-level spending shows stronger growth, net medicine spending is expected to increase more modestly by approximately US$ 116 Billion over the five-year period.

Overall, the US pharmaceutical market continues to demonstrate strong underlying demand and innovation-led expansion. However, the interplay of increasing loss of exclusivity, sustained pricing pressure, and higher rebate intensity is expected to moderate net growth, resulting in a more balanced and structurally-driven growth profile through 2029.

**US Pharmaceutical Spending and Growth**

(US$ Billion)




Corporate Overview
Statutory Reports
Financial Statements

### Policy Developments Shaping US Pharma

The US pharmaceutical sector is witnessing an evolving policy and regulatory landscape, with increasing focus on drug affordability, pricing transparency, domestic manufacturing resilience and supply chain security. These developments are expected to influence pricing dynamics, market access frameworks and investment priorities across the industry over the medium-term.

Most Favoured Nation (MFN) pricing gained prominence in the pharmaceutical sector in recent years, aimed at ensuring that US drug prices align more closely with those in other developed markets. MFN concepts now underpin several US federal frameworks, including the GLOBE, GUARD, and GENEROUS models, introduced during 2025 with phased implementation expected from 2026 onwards. Collectively, these initiatives reflect sustained regulatory momentum toward international reference pricing putting downward pressure on drug prices, expanded benchmarking against peer markets, and increasing government oversight of branded drug pricing in the United States.

Pharmaceutical tariffs have re-entered policy focus amid renewed consideration of national security-based trade tools, including Section 232 investigations that could extend tariff coverage to select drug products, APIs, and critical inputs. While free trade agreements typically provide carve-outs or preferential treatment for pharmaceuticals, policy discussions increasingly distinguish between innovator drugs and affordability-critical products. Generics, and in several cases, biosimilars are expected to benefit from exemptions or reduced tariff exposure to safeguard access and supply resilience. Overall, pharma tariff policy remains fluid, shaped by trade negotiations, supply-chain security assessments, and healthcare cost containment objectives.

Separately, several large pharmaceutical companies have entered into broad framework agreements with the US administration that address pricing and trade considerations within a single construct. These deals generally involve offering select branded drugs to Medicaid or other federal programmes at MFN-linked prices, committing incremental manufacturing or R&D investments in the United States, and, in return, receiving temporary relief from tariffs or trade actions.

## Top 5 Western European Markets (WE5)[1]

Medicine spending across the top five European markets is expected to continue its steady expansion over the next five years, increasing from approximately US$ 242 Billion in 2024 to US$ 327 Billion in 2029.

Growth dynamics are expected to shift meaningfully across key drivers. Innovation will continue to play a central role, with more than 200 new active substances (NASs) expected to launch across leading European markets over the next five years. These launches are expected to contribute approximately US$ 45 Billion in aggregate spending, with annual launches averaging 40-45 NASs per year. Oncology is expected to remain the largest therapeutic area for new launches, along with neurology, rare diseases, and next-generation biotherapeutics including cell and gene therapies and RNA-based treatments.

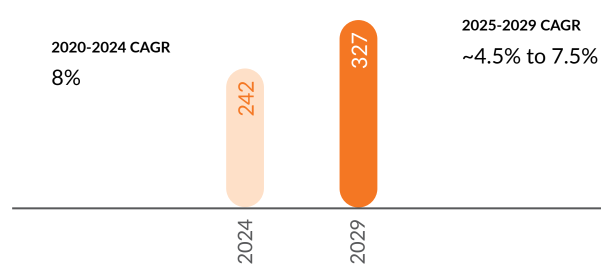
The contribution of new brands is expected to remain significant; however, growth is increasingly expected to be supported by established branded products that expand post-launch following demonstrated clinical and commercial value, alongside negotiated market access decisions.

Loss of Exclusivity (LOE) will be a major structural driver of market dynamics. Across the five largest European markets, LOE impact is expected to increase approximately 2.5 times over the next five years, reflecting a higher concentration of large-value products reaching expiry. The forecast period is expected to see larger brand erosion than the previous cycle, driven by a sequence of high-selling products losing exclusivity through 2029.

Generics and biosimilars are expected to contribute approximately US$ 10 Billion in incremental growth over the next five years, slightly lower than the previous period despite a higher absolute LOE base. This reflects a market environment where volume gains from patent expiries are increasingly offset by price deflation and competitive intensity.

Overall, the European pharmaceutical market is expected to grow steadily over the next five years, supported by sustained innovation and strong launch activity, while LOE pressures, pricing constraints and evolving payer frameworks continue to moderate net growth and reinforce a more value-driven market environment.

**WE5 - Pharmaceutical Spending and Growth** (US$ Billion)



# Japan[1]

Pharmaceutical spending in Japan is expected to grow at a relatively modest pace over the next five years, with growth projected in the range of -0.5% to 2.5% annually, reflecting the continued impact of long-term structural factors affecting long-listed brands and periodic pricing revisions.

Market dynamics in Japan continue to be strongly influenced by the pricing revision framework, with price revisions expected to remain in place throughout the forecast period. While the established biennial price cut cycle continues to exert pressure on pricing, the impact in off years is expected to be comparatively lower, leading to a more moderated overall pricing effect across the cycle.

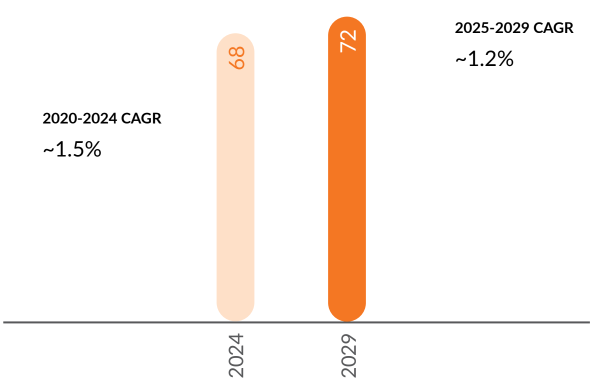
The structure of spending continues to evolve in favour of protected branded medicines. Over the past decade, the share of protected brands has increased from approximately 50% to 57% of total spending, reflecting a reversal of earlier trends where share typically declined over time. This shift is supported by manufacturers increasingly launching innovative therapies earlier in Japan, along with policy measures aimed at enabling faster access to new medicines.

At the same time, long-listed products continue to see a structural decline in market share, reducing from approximately 22% of total spending in 2015 to 9% in 2024, and are expected to decline further to around 5% by 2029, reflecting continued erosion from both innovation and substitution effects.

The generic segment is expected to expand its share of total spending over the forecast period. This growth is supported by long-standing policy initiatives aimed at increasing generic utilisation through a combination of incentives and prescribing adjustments, encouraging substitution where appropriate and improving overall penetration levels across therapeutic categories.

**Japan - Pharmaceutical Spending and Growth**

(US$ Billion)




# Pharmerging Markets[1]

The Pharmerging markets are expected to remain a structurally important contributor to global pharmaceutical growth, combining both access-driven expansion and gradual premiumisation of treatment mix.

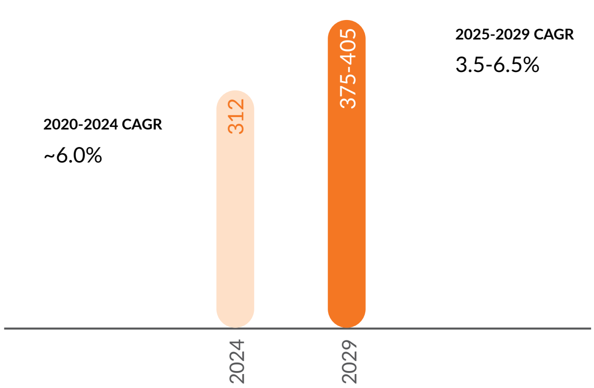
Pharmaceutical spending across Pharmerging markets is expected to maintain a steady growth trajectory over the next five years, supported by expanding access to healthcare, rising prevalence of chronic diseases, and gradual adoption of innovative therapies across emerging economies.

Total market spending is estimated at approximately US$ 312 Billion in 2024 and is projected to increase to a range of US$ 375–405 Billion by 2029, reflecting sustained underlying demand across both branded and non-branded segments.

Within the market, growth continues to be supported by a gradual shift towards higher-value therapies, particularly original branded medicines, which are expected to remain the fastest-growing component over the forecast period.
At the same time, non-original brands and generics continue to play a significant role in expanding access and supporting treatment affordability across markets.

**Pharmerging Markets - Pharmaceutical Spending and Growth**

(US$ Billion)



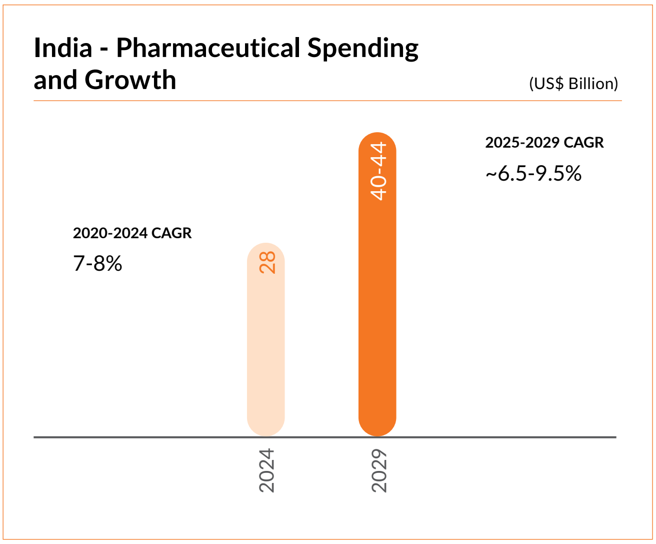
# India[1]

The Indian Pharmaceutical industry is expected to remain one of the most structurally resilient and fastest-growing major pharmaceutical markets globally, supported by expanding healthcare access, rising chronic disease burden, and continued deepening of prescription penetration across urban and non-urban markets.

The market is estimated to reach US$ 40–44 Billion in 2029, at a constant currency CAGR of 6.5–9.5% over 2025–2029, reflecting sustained demand across chronic and acute therapies, supported by continued expansion of treatment coverage and gradual improvement in healthcare access infrastructure.

Growth continues to be led by chronic therapies such as cardiovascular, anti-diabetic, respiratory and central nervous system segments, which are expanding faster than acute therapies due to rising disease prevalence and longer treatment cycles. This structural shift is supported by improving diagnosis rates, increasing affordability, and wider penetration of organised healthcare channels.

In addition, market growth is supported by continued expansion into Tier II and Tier III markets, increasing physician reach, and steady contribution from new product introductions. While price increases continue to play a role, volume-led expansion remains the primary structural driver of growth in the market.




# Specialty Medicines[1]

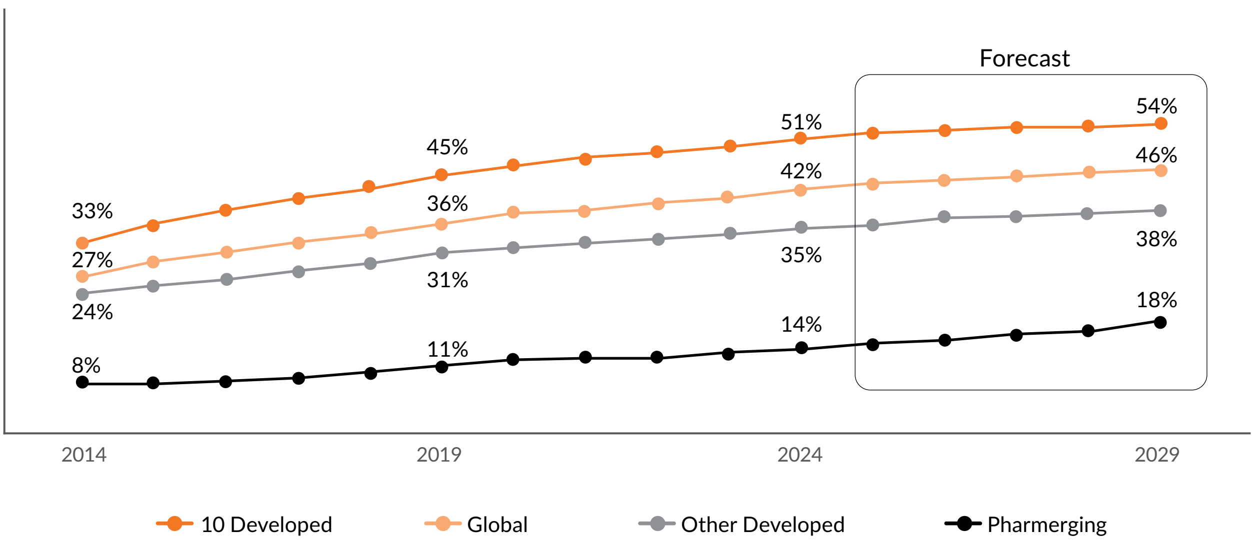
Specialty medicines continue to be a primary driver of value growth in the global pharmaceutical market, reflecting a structural shift toward complex, high-cost therapies targeting chronic, rare and specialty conditions. These therapies, particularly across oncology, immunology, neurology and metabolic disorders, are characterised by high clinical value, increasing innovation intensity and relatively higher treatment costs.

According to IQVIA, specialty medicines accounted for approximately 42% of global pharmaceutical spending in 2024 and are projected to increase to nearly 46% by 2029. In leading developed markets, specialty medicines already represented approximately 51% of total pharmaceutical spending in 2024 and are expected to rise further to nearly 54% by 2029, highlighting the increasing concentration of value within complex and innovative therapies.

Growth in specialty medicines is expected to be driven by continued innovation in oncology and immunology, rapid expansion of GLP-1 therapies for diabetes and obesity, increasing adoption of biologics and biosimilars, and expanding focus on rare diseases and precision medicine. At the same time, pharmerging markets are witnessing gradual growth in specialty adoption, supported by improving healthcare access and rising affordability.

Despite accounting for a relatively small share of treatment volumes, specialty medicines continue to contribute disproportionately to overall pharmaceutical spending growth, underscoring the industry's ongoing shift toward advanced and innovation-led therapies.

Share of Specialty Medicines in Overall Pharmaceutical Spending – By Market




## Active Pharmaceutical Ingredients (APIs)[2]

The Active Pharmaceutical Ingredients (API) segment forms the backbone of the global pharmaceutical industry, supporting both innovative and generic drug manufacturing. The market has witnessed steady expansion, driven by increasing demand for complex therapies, rising prevalence of chronic diseases, and the growing shift toward biologics and highly potent APIs.

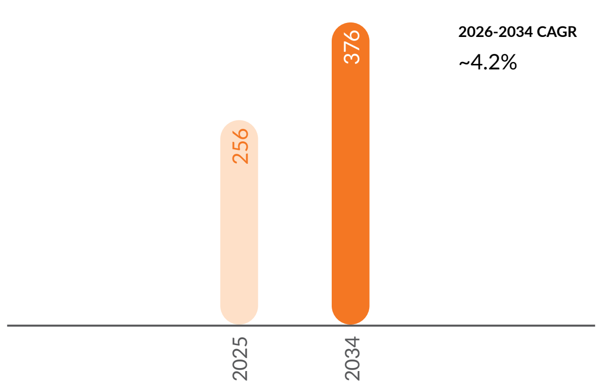
The global Active Pharmaceutical Ingredients (API) market was valued at US$ 256 Billion in 2025 and is projected to reach US$ 376 Billion by 2034, at a CAGR of 4.22% during 2026–2034. Growth is driven by several factors, including the increasing prevalence of chronic diseases, rising demand for generic and biosimilar drugs, expansion of contract manufacturing organisations (CMOs/CDMOs), and continued investment in targeted biopharmaceutical therapies.

## Growth Drivers

- Rising demand for highly potent APIs (HPAPIs), particularly in oncology and targeted therapies
- Expansion of generic drug manufacturing due to patent expiries
- Increasing focus on supply chain resilience and backward integration
- Shift toward biotech and complex molecules, including biologics and specialty drugs

Additionally, global pharmaceutical companies are increasingly diversifying supply chains and investing in regional manufacturing capabilities, creating opportunities for integrated players.

API Market - Long-term Outlook (US$ Billion)



## Consumer Healthcare (CHC) Market[3]

The Consumer Healthcare (CHC) market, comprising over-the-counter (OTC) medicines, dietary supplements, and wellness products, is emerging as a significant growth driver within the broader healthcare ecosystem. Growth is being driven by increasing consumer preference for preventive healthcare and rising health awareness.

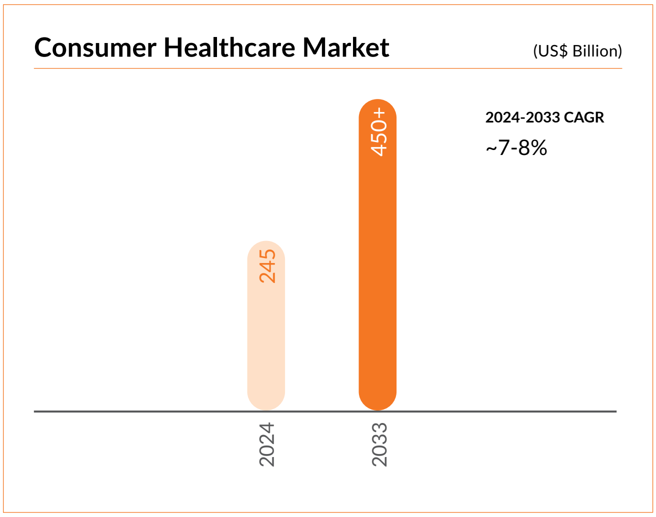
According to IQVIA, the global OTC market expanded from ~US$ 150 Billion in 2020 to ~US$ 193 Billion in 2024, reflecting strong post-pandemic recovery and sustained demand.

More broadly, the global consumer healthcare market is estimated at ~US$ 245 Billion in 2024 and is expected to grow to ~US$ 450+ Billion by 2033, implying a CAGR of ~7-8%.

## Growth Drivers

- Increasing propensity of self-care and adoption of preventive health practices
- Rising disposable incomes and healthcare awareness, particularly in emerging markets
- Expansion of digital health platforms and e-pharmacies
- Strong demand for vitamins, supplements and wellness products

Pharmerging markets are witnessing faster growth compared to developed regions, supported by higher out-of-pocket spending and improving access to healthcare products.




## Sun Pharma: A Leading Global Pharmaceutical Company

Sun Pharmaceutical Industries Ltd. (hereinafter referred to as ‘Sun Pharma’, ‘our Company’ or ‘we’), along with our subsidiaries and associates, is a global pharmaceutical company and the largest in India by market share. We have a strong presence across major markets, including the United States, India and emerging markets, with our products reaching patients in over 100 countries. Our diversified portfolio spans Innovative Medicines, Branded Generics, Generics and Active Pharmaceutical Ingredients (APIs). In recent years, we have sharpened our focus on Innovative Medicines, particularly in dermatology, ophthalmology and onco-dermatology, while continuing to strengthen our leadership in chronic therapies across key markets. This balanced portfolio enables us to address evolving patient needs while enhancing value across geographies.

We continue to invest in building a differentiated Innovative Medicines business, supported by a growing portfolio of innovative products and ongoing clinical development. At the same time, our generics and branded generics businesses remain a strong foundation, delivering scale, market reach and consistent performance.

Our R&D efforts remain focused on Innovative Medicines, complex generics and novel formulations. We leverage integrated scientific capabilities, supported by global clinical trial operations, to advance our pipeline and bring high-quality, affordable medicines to patients. This approach enables us to stay competitive across markets while expanding our innovation footprint.

Our global manufacturing network comprises facilities approved by leading regulatory authorities, ensuring consistent quality and compliance across markets. We continue to strengthen operational efficiency, supply chain resilience and quality systems to support our expanding portfolio and global footprint.

Our workforce, comprising professionals from diverse nationalities and backgrounds, remains central to our success. Their expertise, coupled with a strong culture of compliance, quality and innovation, enables us to deliver sustainable growth and operational excellence.

Guided by our purpose of Reaching People and Touching Lives Globally, we remain committed to improving access to high-quality healthcare. We continue to focus on innovation-led growth and strengthening our global presence to create long-term value for all stakeholders.

## Expanding Global Scale through Organon Acquisition

Subsequent to the close of the financial year, Sun Pharma announced the proposed acquisition of Organon & Co., a global pharmaceutical company with a strong presence across women's health, established brands and biosimilars. Organon operates in more than 140 countries with a diversified manufacturing and commercial footprint.

The proposed combination is expected to enhance Sun Pharma's global scale, add Women's Health as a new therapeutic pillar and expand participation in biosimilars. The transaction remains subject to shareholder and regulatory approvals.

## Strong Global Positioning[4,5]

**Largest**
Pharmaceutical company in India

**Leading**
Global Specialty generic company

Among the
**Largest**
Indian pharmaceutical companies in Emerging Markets

**13th**
Largest generic pharmaceutical company in the US

**100+**
Countries reach

**40**
Global manufacturing sites across five continents

**47,000+**
Global employee base

**50+**
Employee nationalities

## Major Milestones

| Year | Development | Geography | Strategic Rationale |
|---|---|---|---|
| 2026 | Announced the acquisition of Organon & Co. | Global | Enhance global scale, add Women's Health and biosimilars |
| 2025 | Acquisition of Checkpoint Therapeutics, Inc. | Global | Strengthens oncology portfolio with FDA-approved anti-PD-L1 therapy for cSCC |
| 2024 | Completion of Taro merger (100% ownership) | Israel/Global | Simplifies group structure and strengthens dermatology and generics portfolio |
| 2024 | In-licensing of Fibromun | Global | Expands innovative oncology pipeline in immunotherapy |
| 2023 | Acquisition of Concert Pharmaceuticals | US | Strengthens dermatology pipeline with late-stage asset for alopecia areata |
| 2023 | In-licensing of Nidlegy™ | Europe, ANZ | Expands oncology portfolio in skin cancer therapies |
| 2023 | In-licensing of Sezaby | US | Entry into neonatal care segment with specialty product |
| 2022 | Acquisition of Uractiv™ portfolio | Romania | Strengthens OTC portfolio and regional presence |
| 2022 | Expansion of Winlevi® licensing | Japan, Australia, Brazil & others | Enhances global dermatology footprint |
| 2021 | In-licensing of Winlevi® | US & Canada | Entry into novel acne treatment segment |
| 2020 | Out-licensing of Ilumya to Hikma | MENA | Expands geographic reach of specialty product |
| 2019 | Licensing agreement with AstraZeneca | China | Expands oncology presence in China |
| 2019 | Licensing agreement with CMS | Greater China | Strengthens access to China market |
| 2016 | Acquisition of global rights for Cequa & Odomzo | Global | Strengthens specialty portfolio |
| 2016 | Acquisition of Biosintez | Russia | Expands local manufacturing capabilities |
| 2016 | Acquisition of brands from Novartis | Japan | Entry and expansion in Japan market |
| 2015 | Sun Pharma-Ranbaxy merger | Global | Establishes leadership in India and strengthens global generics position |
| 2014 | In-licensing of tildrakizumab (Merck) | Global | Builds specialty dermatology pipeline |
| 2014 | Acquisition of Pharmalucence | US | Enhances sterile injectables capability |
| 2012 | Acquisition of DUSA Pharma | US | Entry into dermatology drug-device segment |
| 2010 | Acquisition of Taro Pharma | Israel/Global | Strengthens dermatology generics and global footprint |
| 1997 | Acquisition of Caraco | US | Entry into US generics market |

## Global Innovative Medicines Business

Specialty Medicines continue to represent among the fastest-growing segment of the global Innovative Medicines space, driven by their role in addressing chronic, complex and rare diseases. In recent years, this segment has gained increasing prominence, supported by advances in biologics, targeted therapies and precision medicine.

Specialty medicines now account for a significant share of global pharmaceutical spending, with their contribution continuing to rise across developed markets. This growth is particularly pronounced in key regions such as the United States and Europe, where specialty therapies form a substantial portion of total drug expenditure. The share of specialty medicines is expected to increase further over the next few years, reflecting sustained demand for innovative treatments and the growing burden of chronic diseases.

The expansion of specialty medicines is underpinned by a strong pipeline of novel therapies, increasing adoption of biologics and continued focus on areas such as oncology, immunology, dermatology and rare diseases. Additionally, improved diagnostic capabilities and greater access to advanced therapies are enabling earlier and more effective treatment interventions.

This evolving landscape underscores the long-term growth potential of specialty medicines, as pharmaceutical companies continue to invest in innovation to address unmet patient needs and improve health outcomes globally.

### Share of Specialty Medicines in Overall Pharmaceutical Spending - By Market[1]

(%)

| Year | 2014 | 2019 | 2024 | 2029E |
|---|---|---|---|---|
| Top 10 Developed Markets | 32 | 45 | 52 | 57 |
| Other Developed Markets | 25 | 33 | 38 | 43 |
| Pharmerging Markets | 9 | 11 | 14 | 15 |
| **Global Market** | **27** | **37** | **42** | **46** |

## Sun Pharma's Innovative Medicines Portfolio and Highlights

Since our entry into the Innovative Medicines segment, we have progressively built a differentiated Global Innovative Medicines business, with a focused presence in specialty segments of dermatology, ophthalmology and onco-dermatology. These therapy areas continue to exhibit significant unmet patient needs, and we remain committed to addressing them through innovation, scientific advancement and disciplined execution.

Our Innovative Medicines strategy is anchored in three key pillars. First, we continue to enhance product access through a combination of internal R&D, targeted acquisitions and strategic in-licensing, enabling us to build a portfolio of differentiated and high-value therapies. Second, we are investing in clinical development across multiple Innovative Medicines assets, with a focus on generating robust scientific evidence and advancing our pipeline in key therapeutic areas. Third, we have established a strong commercial infrastructure, in the United States and other key markets, supported by dedicated sales teams, marketing capabilities and distribution networks to drive effective market penetration and physician engagement.

Over the years, we have built a portfolio that includes innovative and differentiated therapies across our focus segments, supported by a growing pipeline of Innovative Medicines products. Our Global Innovative Medicines business is reported separately, reflecting its strategic importance, while also being integrated within our geographical segments, particularly the US and other key markets.

### FY26 Highlights

As of FY26, our Innovative Medicines portfolio continues to expand, with a growing number of marketed products across global markets. Innovative Medicines have been a key growth driver for the Company, contributing an increasing share to our consolidated revenues compared to previous years. This sustained growth reflects the success of our long-term strategy, continued investments in innovation and our ability to scale specialty operations globally.

# Sun's Innovative Medicines Portfolio

### Unloxcyt

**Indication**

Treatment for adults with mCSCC or laCSCC who are not candidates for curative surgery or curative radiation.

**Key Markets**
US

### Leqselvi

**Indication**

Treatment of adults with severe alopecia areata.

**Key Markets**
US

### Ilumya/Ilumetri

**Indication**

Treatment of moderate-to-severe plaque psoriasis in adults eligible for systemic therapy or phototherapy. Supported by long-term efficacy and safety data, with sustained response over multiple years. Ongoing development in additional indications including psoriatic arthritis.

**Key Markets**
All major global markets

### Cequa

**Indication**

Treatment for dry eye disease (keratoconjunctivitis sicca), improving tear production and ocular surface health. Backed by positive clinical outcomes.

**Key Markets**
US, Canada; Greater China (out-licensed)

### Odomzo

**Indication**

Oral therapy for locally advanced basal cell carcinoma (BCC) in patients unsuitable for surgery or radiation. Demonstrates meaningful tumour response in clinical studies.

**Key Markets**
US, Canada, EU, Australia, Israel

### Levulan Kerastick + BLU-U

**Indication**

Photodynamic therapy for actinic keratoses (face, scalp and upper extremities). Differentiated as a widely approved PDT solution across multiple treatment areas.

**Key Markets**
US

### Winlevi

**Indication**

Topical treatment for acne vulgaris in patients aged 12 years and above. Demonstrates favourable efficacy and safety profile in clinical trials.

**Key Markets**
US, Canada, Australia; expanding global presence

### Absorica LD

**Indication**

Oral isotretinoin formulation for severe nodular acne. Designed for improved absorption and consistent efficacy.

**Key Markets**
US

### Yonsa

**Indication**

Treatment for metastatic castration-resistant prostate cancer (CRPC), administered with methylprednisolone. Offers dosing flexibility and clinical effectiveness.

**Key Markets**
US

### Sezaby

**Indication**

Treatment for neonatal seizures; represents a differentiated offering in neonatal care with demonstrated clinical effectiveness.

**Key Markets**
US

### Sprinkle Portfolio

**Indication**

Specialised formulations for patients with swallowing difficulties, particularly in long-term care settings; includes therapies across cardiology and neuropsychiatry.

**Key Markets**
US

## Innovative Medicines Pipeline

Sun Pharma has a pipeline of five specialty molecules undergoing clinical trials:

Innovative Medicines Pipeline

| Candidate | Mechanism of Action | Indication | Preclinical | Phase 1 | Phase 2 | Phase 3 | Registration |
|---|---|---|---|---|---|---|---|
| Ilumya | IL-23 Antagonist | Psoriatic arthritis | — | — | — | — | → |
| Fibromun | Innovative anti-cancer immunotherapy | Soft tissue sarcoma | — | — | → | | |
| | | Glioblastoma | — | — | → | | |
| Nidlegy™ | Immunocytokines | Locally advanced melanoma | — | — | — | → | |
| | | Locally advanced BCC/cSCC | — | — | → | | |
| GL0034 | GLP-1R Agonist | Type 2 diabetes | — | — | → | | |
| Candidate for Partnering | | | | | | | |
| MM-II | Liposomal intra-articular lubrication | Pain in osteoarthritis | — | — | → | | |

All candidates are for global markets except Nidlegy™, where Sun is the commercial partner for Europe, Australia, and New Zealand. Nidlegy™ is a trademark of Philogen.

# Business Model

## Our Businesses

- US
- India
- Emerging Markets
- Rest of the World (RoW)
- Global Innovative Medicines*
- Global Consumer Healthcare**
- Active Pharmaceutical Ingredients (API)

*Global Innovative Medicines revenues are separately disclosed but also are a part of geographical businesses, included US and others.
**Global Consumer Healthcare revenues are reported as part of geographical businesses, included India and others.

## Growth Strategies

### Sustainable Growth

- Achieve critical mass in key markets
- Clear and actionable targets on sustainability
- Embed sustainability practices in businesses

### Cost Leadership

- Optimise operational costs
- Leverage benefits of vertically integrated operations

### Business Development

- Use acquisitions to bridge critical capability gaps while yielding target ROI
- Focus on access to novel products, technology, market presence

### Balance Profitability and Investments

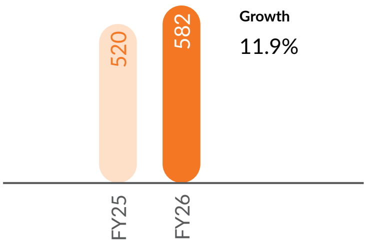
- Increase contribution of Innovative Medicines and complex products
- Direct future investments towards differentiated products

## Focus Areas

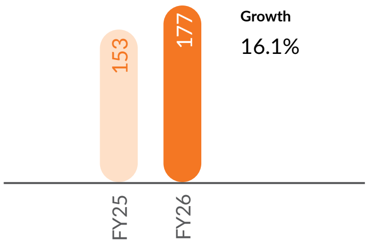
- Enhance share of Innovative Medicines in overall business
- Develop and commercialise differentiated and difficult-to-manufacture products
- Maintain market leadership and high brand equity in India – leverage strengths for in-licensing latest generation innovative products for the domestic market
- Gain critical mass across key international markets
- Focus on improving return ratios

# Key Performance Indicators

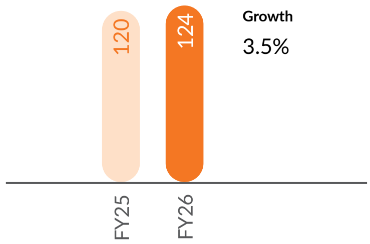
### Gross sales
(₹ in Billion)



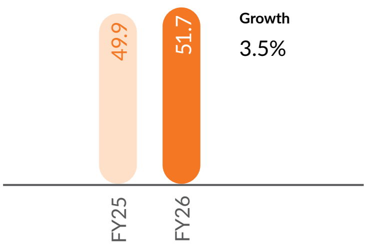

### EBITDA
(₹ in Billion)



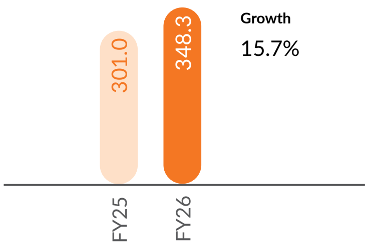

### Adjusted net profit after minority interests#
(₹ in Billion)



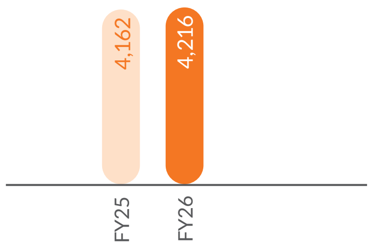

### Adjusted earnings per share#
(₹ per share)



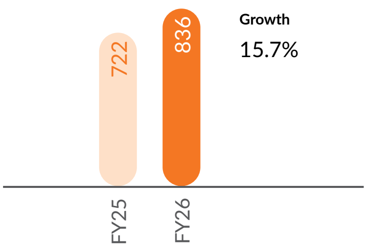

### Book value per share
(₹ per share)



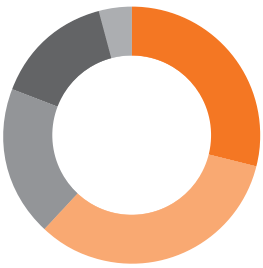

### Market capitalisation as on March 31*
(₹ in Billion)




### Net Worth
(₹ in Billion)




### Business-wise Revenue Share (FY26)
(%)

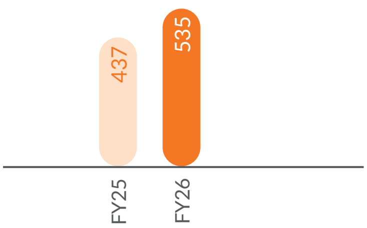


- US Business - 29
- India Business - 33
- Emerging Markets - 19
- Rest of the World (RoW)## - 15
- Active Pharmaceutical Ingredients (API) and others - 4

### Business Mix (FY26)
(%)

- India - 34
- International - 66

### Property, plant and equipment and other intangible assets (at cost)**
($ in Billion)




EBITDA = (Revenue from contracts with customers + Other operating income) - (cost of material consumed + purchase of stock-in-trade + changes in inventories of finished goods, stock-in-trade and work-in-progress + employee benefits expense + other expenses + Net gain/loss on foreign currency transactions).

*As on March 31 of the respective year.

**Includes capital work-in-progress & intangible assets under development.

#Adjusted net profit after minority interests and adjusted earnings per share exclude the impact of exceptional items.

##RoW includes Western Europe, Canada, Israel, Japan, Australia, New Zealand and other markets.

# Financial Ratios

## Consolidated

| Ratio | FY26 | FY25 | Variance (%) | Reasons (if Variance is >25%) |
| --- | --- | --- | --- | --- |
| Return on Net Worth (%) | 13.7 | 15.1 | (9.3) | |
| Debtors Turnover (times) | 3.8 | 4.0 | (5.0) | |
| Inventory Turnover (times) | 1.0 | 1.0 | 0.0 | |
| Interest Coverage | 49.5 | 63.4 | (21.9) | |
| Current Ratio (times) | 2.8 | 2.9 | (3.4) | |
| Debt Equity Ratio (times) | 0.06 | 0.03 | 100.0 | Increase in debt. |
| Operating Profit Margin (%) | 30.0 | 28.3 | 6.0 | |
| Net Profit Margin (%) | 19.7 | 21.0 | (6.2) | |

## Standalone

| Ratio | FY26 | FY25 | Variance (%) | Reasons (if Variance is >25%) |
| --- | --- | --- | --- | --- |
| Return on Net Worth (%) | 11.7 | 17.7 | (33.9) | Return on Net Worth is lower for the year ended 31 March 2026, due to decrease in profit. |
| Debtors Turnover (times) | 2.0 | 1.9 | 5.3 | |
| Inventory Turnover (times) | 1.3 | 1.5 | (13.3) | |
| Interest Coverage | 5.6 | 6.2 | (9.7) | |
| Current Ratio (times) | 2.6 | 1.0 | 160.0 | Primarily due to decrease in current liabilities on account of classification of borrowing to non-current during the year. |
| Debt Equity Ratio (times) | 0.61 | 0.50 | 22.0 | |
| Operating Profit Margin (%) | 22.7 | 27.5 | (17.5) | |
| Net Profit Margin (%) | 12.7 | 18.7 | (32.1) | Net profit margin is lower for year ended March 31, 2026 due to lower revenue during the year. |

## FY26 Highlights

Sun Pharma delivered a strong performance in FY26, driven by growth across its India business, Global Innovative Medicines portfolio and international markets. Gross sales increased by 11.9% to ₹ 582 Billion, while EBITDA rose by 16.1% to ₹ 177 Billion, reflecting operational strength and margin expansion. Growth was supported by a diversified business mix, with India contributing 34% of revenues and international markets accounting for 66%. The Company reported an adjusted net profit after minority interests of ₹ 124 Billion and increased its net worth to ₹ 836 Billion. Sun Pharma also continued to invest in innovation and product development, with R&D expenditure of ₹ 35.5 Billion during the year, reinforcing its focus on sustainable growth and long-term value creation.

# Business-wise Review

## US Business

**29%**
Revenue share

**₹ 168,242 Million**
Revenue in FY26

**674**
Cumulative ANDAs filed as on March 31, 2026

**552**
Cumulative ANDAs approved as on March 31, 2026

**70**
Cumulative NDAs filed as on March 31, 2026

**57**
Cumulative NDAs approved as on March 31, 2026

**122**
ANDAs pending USFDA approval as on March 31, 2026

**13**
NDAs pending USFDA approval as on March 31, 2026

Our US business comprises a mix of Innovative Medicines, Generics and OTC products, reflecting our broad-based presence in one of the world's largest pharmaceutical markets. We continue to rank among the top players in the US generics space, currently positioned as the $13^{th}$ largest generic pharmaceutical company and hold the $2^{nd}$ position by prescriptions in the US dermatology market.

We have built a strong portfolio across multiple therapeutic areas, with a strategic focus on Innovative Medicines segment, including dermatology, ophthalmology and Derma-oncology. In FY26, the US business contributed 29% to our consolidated revenues.

Our integrated manufacturing capabilities with both onshore and offshore facilities, enable us to deliver a wide range of dosage forms. This is further reinforced by our strong commercial relationships with wholesalers, distributors, retail chains, healthcare providers and payors, reinforcing our presence in the US. The US business remains a key contributor to our consolidated revenues and continues to be a core focus area for sustainable growth.

### Key Milestones in the US Business

| Year | Major Initiatives |
|---|---|
| FY26 | Launched Leqselvi & Unloxcyt |
| FY24 | Acquired outstanding shares of Taro, now a 100% subsidiary of Sun |
| FY23 | Launched SEZABY |
| FY22 | Launched Winlevi® |
| FY20 | Launched Cequa and Absorica LD |
| FY19 | Launched Ilumya, Yonsa & Xelpros<br>Released Ready-to-Infuse INFUGEM™ |
| FY18 | Launched Odomzo<br>Received USFDA approval for Ilumya |
| FY17 | Acquired Ocular Technologies giving access to Cequa for dry eye<br>Acquired Odomzo, a branded oncology product from Novartis |
| FY13 | Acquired DUSA for entry into Innovative Medicines |
| FY10 | Acquired Taro Pharma for entry into US dermatology |
| FY98 | Entry into the US through Caraco acquisition |

## FY26 Highlights

The US business contributed 29% of consolidated revenues in FY26, with revenues increasing by 3.6% to ₹ 168.2 Billion. The business maintained its strong position in the market through a diversified portfolio spanning Innovative Medicines, Generics and OTC products, while continuing to rank among the leading generic pharmaceutical companies in the US.

## New Product Approvals and Launches and Acquisitions in the US

### Sun Pharma Signs Definitive Agreement to Acquire Organon

Sun Pharma will acquire all outstanding shares of Organon for US$ 14.00 per share in an all cash transaction with an enterprise valuation of US$ 11.75 Billion, The proposed acquisition of Organon is aligned with Sun Pharma's strategy of growing its Innovative Medicines business. The combined company will become a stronger player in Established Brands/Branded Generics business. The deal also enables Sun Pharma's entry into biosimilars as a Top 10 global player. Organon's portfolio, global footprint and strong stakeholder relationships shall complement Sun Pharma's existing strengths and enhance long-term value creation.

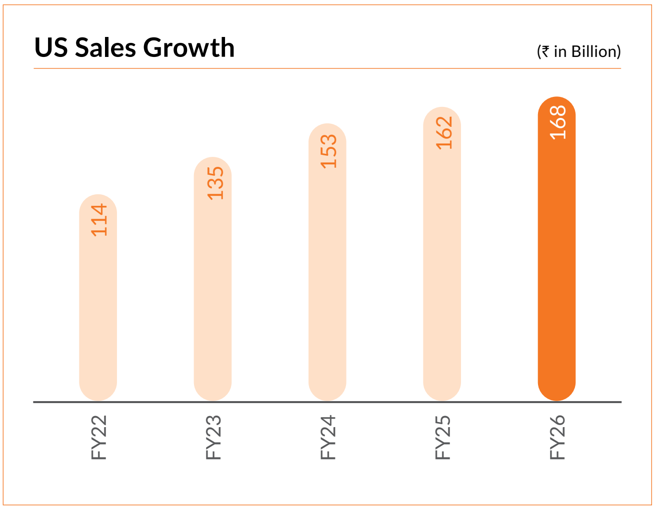
### Sun Pharma Launched UNLOXCYT™ (cosibelimab-ipdl) in the US

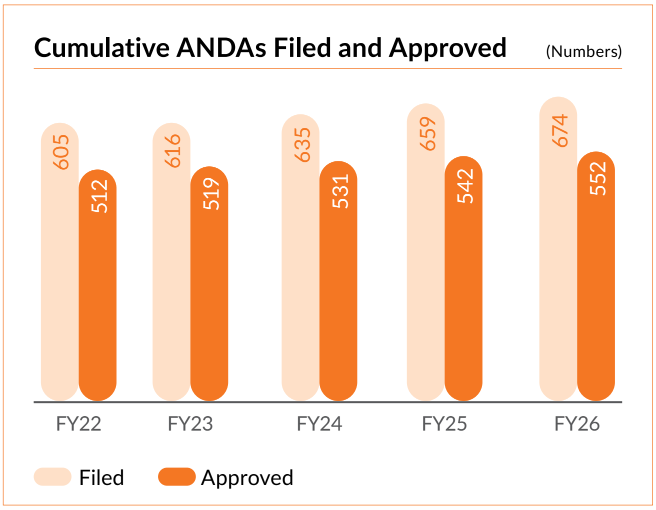
UNLOXCYT is an evolution in checkpoint inhibition and is now available for the treatment of adults in the US with metastatic cutaneous squamous cell carcinoma (mCSCC) or locally advanced CSCC (laCSCC) who are not candidates for curative surgery or curative radiation. UNLOXCYT offers a balanced treatment approach; the recently updated label now includes long-term data confirming durable efficacy and a proven tolerability profile.

UNLOXCYT has a multifaceted mechanism of action (MOA); the first and only checkpoint inhibitor in aCSCC that helps restore the adaptive immune response and engages the innate immune system while preserving PD-L2 signalling.

### Sun Pharma Launched LEQSELVI™ (deuruxolitinib) in the US

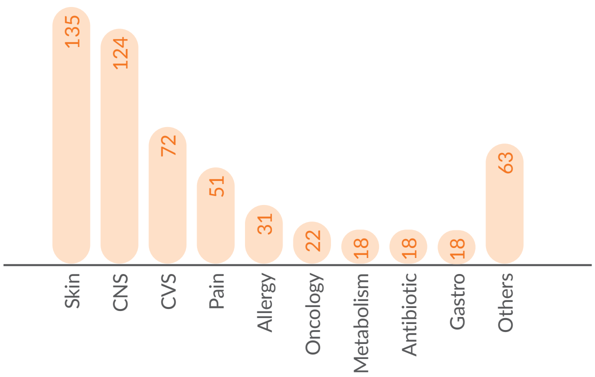
The launch of LEQSELVI in the US brings an effective, new treatment option for severe alopecia areata to eligible patients and the healthcare providers who treat them. As a Company committed to launching new therapeutic options which address the unmet needs of patients, adding LEQSELVI to our dermatology portfolio represents a key milestone for the business and an important advancement for the alopecia areata community. With limited treatment options available to people living with severe alopecia areata in the US, the need for innovative therapies such as LEQSELVI remains critically important. LEQSELVI demonstrated rapid results in clinical trials with one third of patients regaining almost all of their hair by Week 24. Some patients (3%) achieved 80% or more scalp coverage as fast as 8 weeks.



### ANDA Approvals by Therapeutic Areas as of March 2026

(Numbers)




## Road Ahead

- Enhance share of Innovative Medicines/ Branded business
- Continue to focus on complex generics and high entry barrier segments
- Ensure broad product offering to customers across multiple dosage forms
- Focus on compliance, product robustness and supply chain efficiencies

## India Business: Largest Pharma Company in India[4,5]

**33%**

Revenue share

**₹ 192,904 Million**

Revenue in FY26

**#1**

Rank with 8.4% market share**

**#1**

Rank by prescription with 11 different classes of doctors

**~16,000**

Total field force

**30**

Brands among India's top 300 brands**

**As per AIOCD AWACS data for 12 months ended March 2026

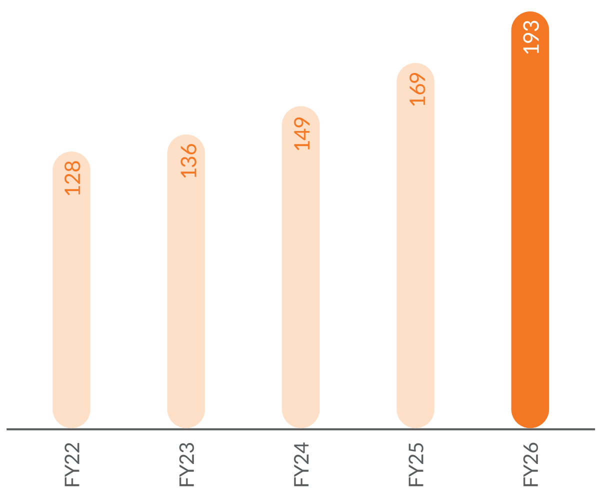
Sun Pharma is India's largest pharmaceutical company, holding an 8.4% market share, with a strong presence in both the chronic and acute therapy segments. Our comprehensive portfolio spans a wide range of therapeutic areas including neuropsychiatry, cardiology, diabetes, gastroenterology, pain/analgesics, gynaecology, ophthalmology, urology, dermatology, respiratory, anti-infectives, oncology and more, enabling us to meet diverse patient needs across India.

We maintain leadership in the chronic segment and have a solid position in the acute space. Our product offerings include technically complex formulations and a well-diversified therapy basket, supporting our standing as a trusted partner for healthcare professionals.

Our reach across the country is enabled by a large field force, deep distribution network and strong brand equity with prescribers. We continue to introduce new products developed through in-house R&D and actively pursue strategic in-licensing opportunities to strengthen access to innovative therapies.

### India Sales Growth

(₹ in Billion)



## India Business Therapeutic Revenue Break-Up

| Therapy | (%) |
|---|---|
| Neuropsychiatry | 19 |
| Cardiology | 17 |
| Gastroenterology | 14 |
| Diabetology | 9 |
| Pain/Analgesics | 7 |
| Anti-infectives | 6 |
| Respiratory | 5 |
| Vitamins/Minerals/Nutrients | 5 |
| Dermatology | 4 |
| Gynaecology | 4 |
| Urology | 3 |
| Ophthalmology | 3 |
| Others | 4 |

## India Prescription Ranking - Leadership in Key Therapeutic Areas[5]

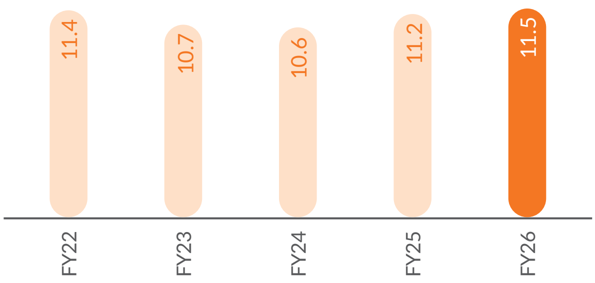
| Specialist | February 2025 | February 2026 |
|---|---|---|
| Psychiatrists | 1 | 1 |
| Neurologists | 1 | 1 |
| Cardiologists | 1 | 1 |
| Diabetologists | 1 | 1 |
| Gastroenterologists | 1 | 1 |
| Consultant Physicians | 1 | 1 |
| Urologists | 1 | 1 |
| Dermatology | 1 | 1 |
| ENT specialists | 1 | 1 |
| Chest physicians | 1 | 1 |
| Gynaecologists | 1 | 1 |
| Nephrologists | 2 | 2 |
| Ophthalmologists | 1 | 2 |
| Orthopaedic specialists | 2 | 2 |
| General surgeons | 3 | 3 |
| Oncology | 2 | 4 |

### Best-in-class Field Force Productivity

Sun Pharma has built a team of well-trained and scientifically oriented sales representatives with a strong track record of performance. We continue to maintain the highest field force productivity among leading players in India. Over the years, including recent expansions, the sales force has been strategically strengthened to deepen geographical reach, enhance doctor coverage and improve brand focus across priority markets.

### Sales Per Medical Representative

(₹ in Million)




### FY26 Highlights

India business* continued to deliver strong growth in FY26, with revenues increasing by 14.0% to ₹ 193 Billion, contributing 33% of consolidated revenues. The business maintained its leadership position across several key therapeutic areas, supported by a diversified portfolio spanning chronic and acute therapies. During the year, we further strengthened our market presence through new product introductions, a robust distribution network and best-in-class field force productivity, reinforcing our position as one of India's leading pharmaceutical companies.

## New Product Approvals, Launches and Acquisitions in India

- Sun Pharma announced a second brand partnership for Sodium Zirconium Cyclosilicate (SZC) in India. This exclusive agreement is aimed at further accelerating availability of SZC, an innovative and highly effective treatment for Hyperkalaemia to more patients across India.
- Sun Pharma launched its global innovative drug, ILUMYA (Tildrakizumab) in India for moderate-to-severe plaque psoriasis. A novel biologic treatment, ILUMYA has been endorsed widely by dermatologists in the US and worldwide for several years as an effective and safe treatment of moderate to severe plaque psoriasis.
- Sun Pharma launched its semaglutide injection in India under the brand names Noveltreat and Sematrinity, across all strengths. Noveltreat is indicated for chronic weight management in adults as an adjunct to a reduced-calorie diet and increased physical activity and is available in five dose strengths – 0.25 mg/0.5 mL, 0.5 mg/0.5 mL, 1 mg/0.5 mL, 1.7 mg/0.75 mL, and 2.4 mg/0.75 mL. Sematrinity is indicated for the treatment of adults with insufficiently controlled Type 2 diabetes mellitus as an adjunct to diet and exercise and is available in two dose strengths – 2 mg/1.5 mL and 4 mg/3 mL.

*Our India business comprises the branded formulations business, described here, and part of the global consumer healthcare business, described in a later section.


**Sun Pharma Comes on Board as Principal Sponsor and Health Partner of Royal Challengers Bengaluru (RCB) for T20 Season 2026:** As part of our efforts to strengthen corporate brand recognition, we entered into a three-year partnership with Royal Challengers Bengaluru (RCB) as Principal Sponsor and Health Partner. The association provides a high-visibility platform to amplify our corporate brand presence, extend the reach of our patient-centric purpose and engage with audiences across India through a shared passion for cricket.

**Sun Pharma launches '#SeeBeyondSugar' Campaign on World Diabetes Day: A Nation-wide Initiative to Raise Awareness about Diabetic Retinopathy:** On World Diabetes Day 2025, we launched the #SeeBeyondSugar campaign, a nation-wide awareness initiative focused on Diabetic Retinopathy, a leading cause of preventable blindness among people living with diabetes. Supported by the Vitreo Retinal Society of India (VRSI), the campaign sought to promote early detection and encourage regular eye screening as an integral part of diabetes management. Through a combination of awareness programmes and screening initiatives across multiple cities, we reinforced our commitment to improving patient outcomes through education, prevention and timely intervention.

## Road Ahead

- Focus on productivity enhancement
- 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

## Emerging Markets

**19%**
Revenue share

**₹ 111,865 Million**
Revenue in FY26

**Leading**
Indian company in Emerging Markets

**~80**
Markets sales reach

**9**
Markets with local manufacturing footprint

**3,300+**
Sales representatives

As a leading Indian pharmaceutical company in Emerging Markets, Sun Pharma has established a strong presence in over 80 countries. Our global footprint spans strategically important regions such as Romania, Russia, South Africa, Brazil and Mexico, where we continue to focus efforts to drive growth and expand reach.

With an extensive basket of Branded Generics and a customer-centric approach, we remain focused on understanding and addressing the specific needs of healthcare professionals and patients in each market. This has helped foster lasting relationships with prescribers and enhance brand adoption. We support our global operations with a dedicated sales force of over 3,300 representatives across these markets. Additionally, we operate manufacturing facilities in countries, including Bangladesh, South Africa, Malaysia, Romania, Egypt, Morocco, Nigeria and Russia, strengthening our supply chain and local manufacturing presence in key regions.

## FY26 Highlights

Revenues from Emerging Markets grew by 18.8% Y-o-Y to ₹ 111,865 Million driven by growth across multiple markets. Innovative Medicines has been an important new driver for growth in Emerging Markets for the year with Ilumya doing well across several markets such as Romania, Brazil as well as partner market of China.

## Road Ahead

- Gain critical mass in key markets
- Enhance specialty product basket in Emerging Markets
- Focus on profitable growth

## Rest of the World (RoW): Western Europe, Canada, Israel, Japan, Australia & New Zealand (ANZ) and Other Markets

**15%**
Revenue share

**₹ 85,684 Million**
Revenue in FY26

**Leading**
Indian company in RoW

**4**
Markets with local manufacturing footprint

Sun Pharma is one of the leading Indian pharmaceutical companies with a strong presence across key international markets, including Western Europe, Canada, Australia & New Zealand (A&NZ), Japan, Israel and others. Leveraging our global expertise and strategic partnerships, we have built a formidable market presence in these regions.

Our expanding product basket includes Innovative Medicines, hospital and retail offerings, with an increasing focus on developing and commercialising differentiated products to meet diverse healthcare needs.

We operate through a distribution-led model for our generic portfolio, while deploying a dedicated sales force to promote our Innovative Medicines products in markets such as EU, Canada, Japan, Australia and Israel. Our manufacturing facilities in India continue to play a vital role in ensuring seamless supply and availability across these regions.

### FY26 Highlights

Revenue from RoW markets increased by 19.6% to ₹ 85,684 Million. Innovative Medicines led by Ilumya and Odomzo have been the key drivers for growth in RoW, including sales in non-alliance markets.

### Road Ahead

- Enhance contribution of Innovative Medicines products to revenues
- Focus on complex generic launches
- Gain critical mass in key markets

## Global Consumer Healthcare Business

Among
**Leading**
Consumer healthcare companies in India

**25+**
Countries footprint

Among
**Top 10**
Consumer healthcare companies in India, Romania, Nigeria and Myanmar

**~500,000**
Pharmacy and Retail outlets in India where Sun Pharma's products are available

Sun Pharma is a leading consumer healthcare player in India. We operate in over 25 countries, including India, Romania, South Africa, Nigeria, Myanmar, Ukraine, Poland, Thailand, Belarus, Kazakhstan, Nepal, Morocco, UAE, Oman and others, underscoring our strong global presence. We have established strong brand equity in four countries and rank among the top 10 consumer healthcare companies in India, Romania, Nigeria and Myanmar.

In India, our flagship brands like Revital and Volini enjoy wide distribution through pharmacies, retail stores and e-commerce platforms. Our products are promoted through a dedicated sales force in each market, reinforcing our leadership in delivering quality healthcare solutions to consumers globally.

## FY26 Highlights

- Launched three new line extensions under our flagship brands, Revital and Volini — Revital Biotin, Revital Omega and Volini Roll-on. These extensions are expected to strengthen brand equity and enhance participation across emerging premium segments
- Successfully entered the fast-growing hydration category with the launch of Revital Recharge
- Launched new communication campaigns for our power brands, Revital and Volini, to reinforce brand positioning and continue leveraging celebrity endorsements
- Introduced consumer promotion initiatives for the Prohance range of nutrition products, including digital campaigns, direct activations and improved in-store presence, to drive growth alongside the doctor-promotion model
- Scaled up on-ground activation programmes to directly engage with and educate consumers at relevant touchpoints
- Continued strengthening focus on high-growth channels, including e-commerce and modern trade, to expand presence among premium consumers and enhance brand salience

## Road Ahead

- Sustained focus and investments in our focus brands with a view to driving category development
- Leveraging our strong brand equity through the launch of relevant line extensions and building a portfolio of products across new formats and benefit segments
- Strengthening our footprint in fast-growing online and organised retail channels
- Improving sales force efficiency and deploying effective trade marketing initiatives
- Building 360-degree consumer outreach programmes to drive new trial acquisition across relevant touchpoints

## Active Pharmaceutical Ingredient (API) Business

**4%**
Revenue share

**₹ 21,853 Million**
Revenue in FY26

**~400 APIs**
Product portfolio

**~10-20 APIs**
Scaled up annually

**409**
DMF/CEP approvals to date

**543**
DMF/CEP filings to date

**13**
Manufacturing units

With 13 state-of-the-art API facilities, we continue to strengthen our strategic backward integration, ensuring cost competitiveness and supply reliability. Our API division serves a wide clientele, including large generic and innovator companies and offers a diverse portfolio comprising approximately 400 APIs.

### FY26 Highlight

Revenue from the API business increased by 2.6% to ₹ 21,853 Million.

## Road Ahead

- Continue to focus on supporting the formulations business through the development of strategic APIs
- Ensure consistent supplies and high service standards for customers

## Research and Development (R&D)

**6.1%**

R&D spend as percentage of sales in FY26

**₹ 335+ Billion**

Cumulative R&D expenditure till date

**2,700+**

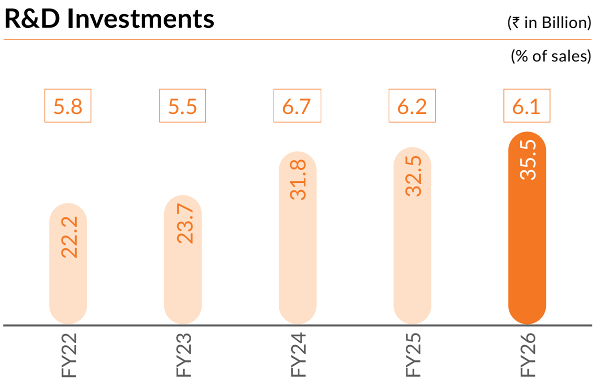
Strong R&D team

Our R&D capabilities span a wide range of dosage forms, including injectables, orals, liquids, ointments, gels, sprays, hormones and oral products. We continue to expand our global development capabilities, covering clinical trials, finished dosage development, biological support, chemistry and new drug development.

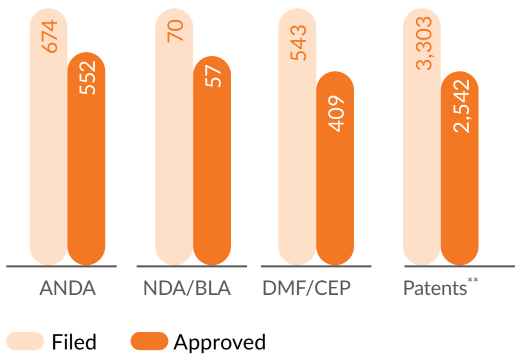
These efforts are backed by a strong and experienced team across multiple R&D centres globally. Our intellectual property experts play a critical role in supporting the development of Innovative Medicines, complex and non-infringing formulations.

We remain committed to investing in R&D to build a robust portfolio of Innovative Medicines, generics and branded generics products for markets around the world.

### R&D Investments




### Filings and Approvals




**Excludes Expired/Abandoned Patents (All data as of March 31, 2026)

## FY26 Highlights

- Overall R&D investments for the year were ₹ 35,540 Million (6.1% of sales)
- Developed and filed ~300 product dossiers globally
- Addition and progress on Innovative Medicines R&D Pipeline

## Road Ahead

- Focus on developing complex products across multiple dosage forms
- Invest to further build the Innovative Medicines pipeline

## Global Manufacturing Base: World-class Manufacturing Infrastructure

With a world-class manufacturing infrastructure and an extensive global footprint spanning India, the Americas, Asia, Africa, Australia and Europe, we have established a strong presence in the global pharmaceutical industry. Our vertically integrated network enables high-quality, cost-effective production and allows for swift market entry across geographies.

We are among a few companies with integrated manufacturing capabilities for oncology, hormones, peptides and steroidal drugs. Our facilities support a wide range of dosage forms, including orals, creams, ointments, injectables, sprays and liquids.

Our manufacturing facilities are approved by leading international regulatory authorities, including:

- US Food and Drug Administration (USFDA)
- UK Medicines and Healthcare Products Regulatory Agency (MHRA)
- European Medicines Evaluation Agency (EMEA)
- Australia's Therapeutic Goods Administration (TGA)
- South Africa's Medicines Control Council (MCC)
- Germany's Federal Institute for Drugs and Medical Devices (BfArM)
- Brazilian Health Regulatory Agency (ANVISA)
- World Health Organization (WHO)
- South Korea's Ministry of Food and Drug Safety
- Japan's Pharmaceuticals and Medical Devices Agency (PMDA)

**27**
Finished dosage manufacturing facilities

**13**
API facilities

### Finishing Dosage Manufacturing Facilities

| Country | Number of Finished Dosage Facilities |
|---|---|
| India | 12 |
| US | 3 |
| Bangladesh | 2 |
| Morocco | 1 |
| Canada | 1 |
| Hungary | 1 |
| Israel | 1 |
| South Africa | 1 |
| Malaysia | 1 |
| Romania | 1 |
| Egypt | 1 |
| Nigeria | 1 |
| Russia | 1 |
| **Total** | **27** |

### API Manufacturing Facilities

| Country | Number of API Facility |
|---|---|
| India | 8 |
| Australia | 2 |
| Israel | 1 |
| US | 1 |
| Hungary | 1 |
| **Total** | **13** |

## People: Nurturing a Diverse and Inclusive Global Workforce

With an extensive global workforce exceeding 47,000 individuals from over 50 nations, Sun Pharma prioritises cultivating an inclusive workplace environment that fosters professional growth and advancement. Recognising the value of diverse perspectives, the Company promotes a culture of equality and opportunity. Through robust investment in learning and development initiatives, Sun Pharma empowers its workforce to stay ahead of the industry.

## Quality Excellence

Our robust quality management system ensures that high standards are upheld across our research centres, manufacturing facilities, testing laboratories and distribution channels. We operate with a deep commitment to regulatory compliance and are certified under current Good Manufacturing Practices (cGMP) by global agencies, including:

- US Food and Drug Administration (USFDA)
- European Medicines Agency (EMA)
- World Health Organization (WHO)
- Australia's Therapeutic Goods Administration (TGA)

Our Corporate Quality Unit leads the implementation of evolving GMP standards and regulatory guidelines across the organisation, reinforcing our focus on delivering safe, effective and high-quality products to patients globally.

# SWOT Analysis

## Strengths

### Global Leadership

- Leading global specialty generics company
- Largest pharmaceutical company in India by market share
- Ranked #1 across 11 different classes of doctors in India
- 13th largest generics company in the US
- 2nd largest by prescriptions in the US dermatology segment
- Among the largest Indian pharmaceutical companies in emerging markets

### R&D and Product Development

- Robust R&D infrastructure and capabilities to develop technologically complex products in both generics and Innovative Medicine segments

### Growth and Profitability Focus

- Pragmatic mix of organic and inorganic growth initiatives
- Announced the acquisition of Organon & Co. in April 2026

### Strong Financial Position

- Balance sheet providing flexibility for inorganic growth, even after taking into account the debt to be taken to fund Organon acquisition

### Global Access and Affordability

- Ability to supply high-quality products at affordable prices across diverse global markets

## Opportunities

### Favourable Macro-economic Environment

- Positive long-term growth for pharmaceutical products in India and emerging markets due to favourable macro-economic conditions

### Innovative Medicines Products Growth

- Increasing contribution of Innovative Medicines products in developed markets, with Sun Pharma positioned to capitalise on this trend through its existing Innovative Medicines portfolio

## Weaknesses

### Geopolitical Uncertainty

- Geopolitical issues impacting supply chains, inflation and overall economic stability

### Regulatory and Competitive Pressures

- Increased competitive intensity in the US generics pricing environment, coupled with faster-paced generic drug approvals by the USFDA

### Currency Volatility

- Significant volatility in forex markets, especially for emerging market currencies, potentially affecting reported growth despite growth in local currencies

### Pricing Pressure

- Potential for government-mandated price controls in response to high global government deficits, impacting product pricing

### Innovative Medicines Pipeline Investment

- High upfront investment in developing an Innovative Medicines pipeline may impact short-term profitability

### Threats

#### Regulatory and Pricing Pressures

- Rising regulatory scrutiny and potential government actions to control drug prices across global markets
- Threat from government actions such as the imposition of tariffs and changes in payment models, including application of Most Favoured Nations model

#### Market Dynamics in Emerging Markets

- Competitive pressures from local and international pharmaceutical companies in emerging markets

#### Supply Chain Disruptions

- Global supply chain disruptions due to geopolitical tensions or economic downturns

## Internal Controls and Governance

The Company maintains a strong and continually evolving internal control and governance framework designed to support effective operations, reliable financial reporting, compliance with applicable laws and regulations, and sound decision-making. This framework includes robust internal financial controls over financial reporting, aligned with globally recognised standards, and is supported by clearly defined policies, standard operating procedures, segregation of duties, monitoring mechanisms, and increasing use of automated controls. Its effectiveness is assessed through management reviews, independent testing, and oversight by the Audit Committee. The Company also has a well-established whistle blower/vigil mechanism that reinforces ethical conduct, integrity, transparency, and accountability by enabling employees and other stakeholders to report concerns through confidential channels, with protection against retaliation and appropriate review of significant matters. In addition, the Board, through the Risk Management Committee, oversees an integrated enterprise risk management framework that enables structured identification, assessment, prioritisation, and mitigation of strategic, operational, financial, regulatory, cyber, geopolitical, and other emerging risks, thereby strengthening organisational resilience and supporting long-term value creation.

## Internal Audit

The Company's Global Internal Audit function operates independently under the oversight of the Audit Committee and follows a risk-based, forward-looking approach to provide assurance on the effectiveness of governance, risk management, and internal controls across businesses, functions, and geographies. In addition to assurance, Internal Audit supports management through thematic reviews, advisory interventions, investigations, and data-driven insights aimed at identifying emerging risks, strengthening controls, and improving process discipline, standardisation, and automation. During the year, the function further enhanced audit execution and governance through greater technology enablement, improving end-to-end audit lifecycle management, transparency, tracking of audit progress, and timely closure of agreed actions.

## Disclaimer

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or industry conditions or events are '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. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, finished goods prices, feedstock availability and prices, competitors' pricing in the Company's principal markets, changes in government regulations, tax regimes, economic conditions within India and the countries within which the Company conducts business and other factors, such as litigation and labour unrest or other difficulties. The Company assumes no responsibility to publicly update, amend, modify or revise any forward-looking statements, based on any subsequent development, new information or future events or otherwise except as required by applicable law. Unless the context otherwise requires, references in this document to 'we', 'us' or 'our' refers to Sun Pharmaceutical Industries Limited and consolidated subsidiaries.

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