



# Creating Lasting Value

Investor Presentation – February 2019



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

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# Sun Pharma at a glance



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

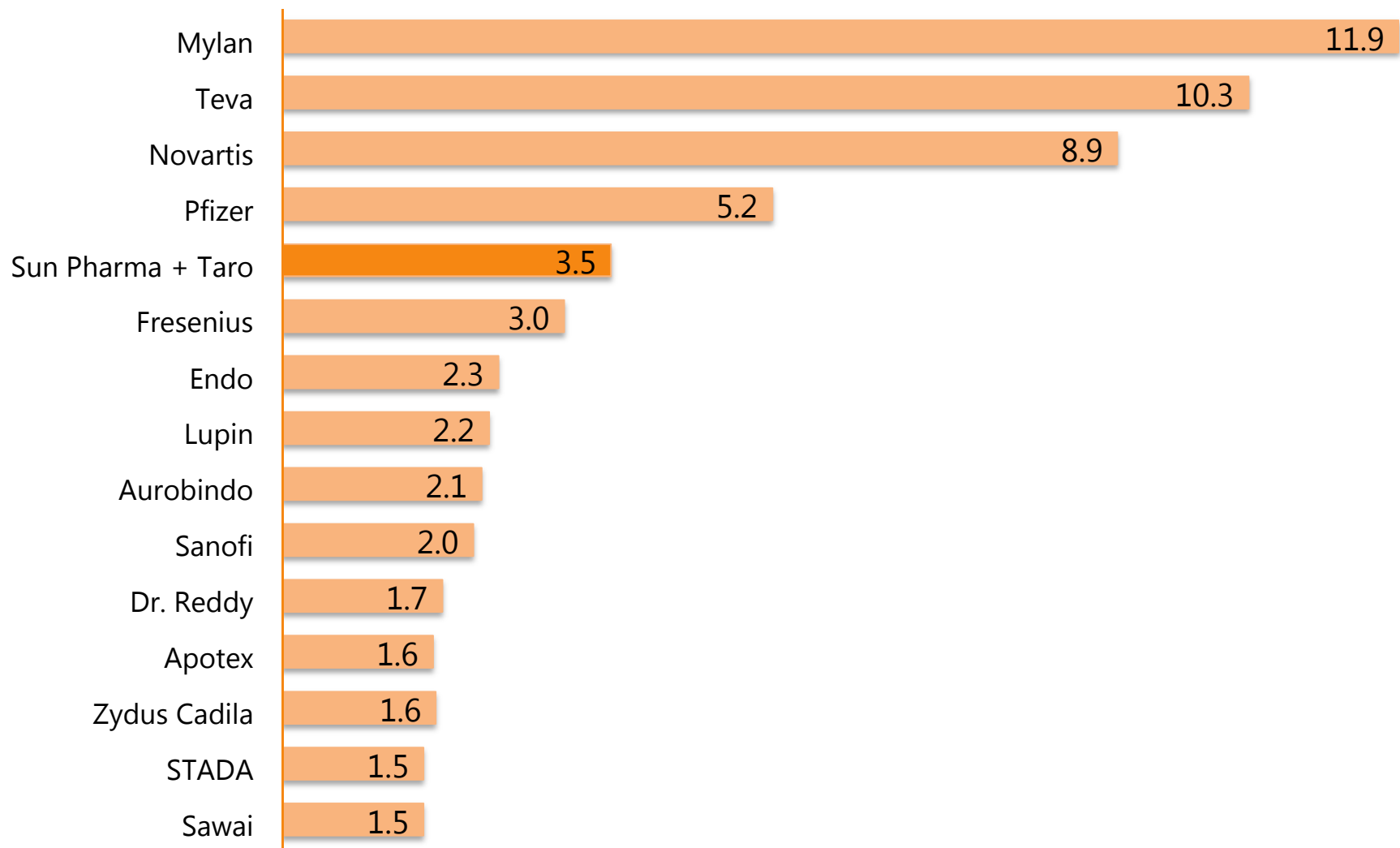
US	<ul style="list-style-type: none"><li>• Ranked 6<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Amongst the largest Indian Pharma Company in Emerging Markets</li></ul>
Europe	<ul style="list-style-type: none"><li>• Expanding presence in Europe</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 44 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 100 countries across branded and generic markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>
Employees	<ul style="list-style-type: none"><li>• 32,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA</li></ul>
R&D and Manufacturing	<ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul>
Addressable Segments	<ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>

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

# World's 5th Largest Specialty Generic Pharma Co



2018 Worldwide Generic Sales (US\$ in billions)



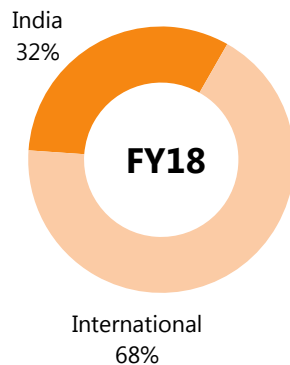
Source: Evaluate Pharma Estimates for 12 months ended Dec 2018

# Sun Pharma today



## US Formulations

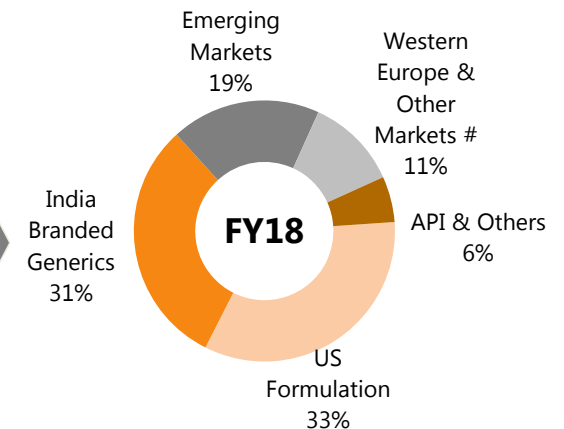
- 6<sup>th</sup> largest generics company in US\* with a strong pipeline (123 ANDAs & 6 NDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 441 approved products
- FY18 sales: US\$ 1,357 mn <sup>(2)</sup>



Geographical sales split

- Market cap: US\$ 15 bn <sup>(1)</sup>
- Gross Sales: US\$ 4,044 mn <sup>(2)</sup>
- EBITDA: US\$ 804 mn (20% margin) <sup>(2)</sup>
- R&D Investment: 8.6% of Sales
- Globalized supply chain
- 54% owned by promoter group
- Strong balance sheet, low debt
- Strong product pipeline

Revenue Break-up



## Emerging Markets

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

## India Branded Generics

- No.1 ranked with 10 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY18 sales: US\$ 1,246 mn <sup>(2)</sup>

## Western Europe, Canada, Japan ANZ & others

- Presence across majority of markets in Western Europe, Canada, Japan and A&NZ
- Product portfolio includes differentiated offerings for hospitals, injectables and generics for retail market
- FY18 sales: US\$ 461 mn <sup>(2)</sup>

Note:

(1) As of February, 13, 2019 using spot exchange rate of INR /USD = 70.94

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

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

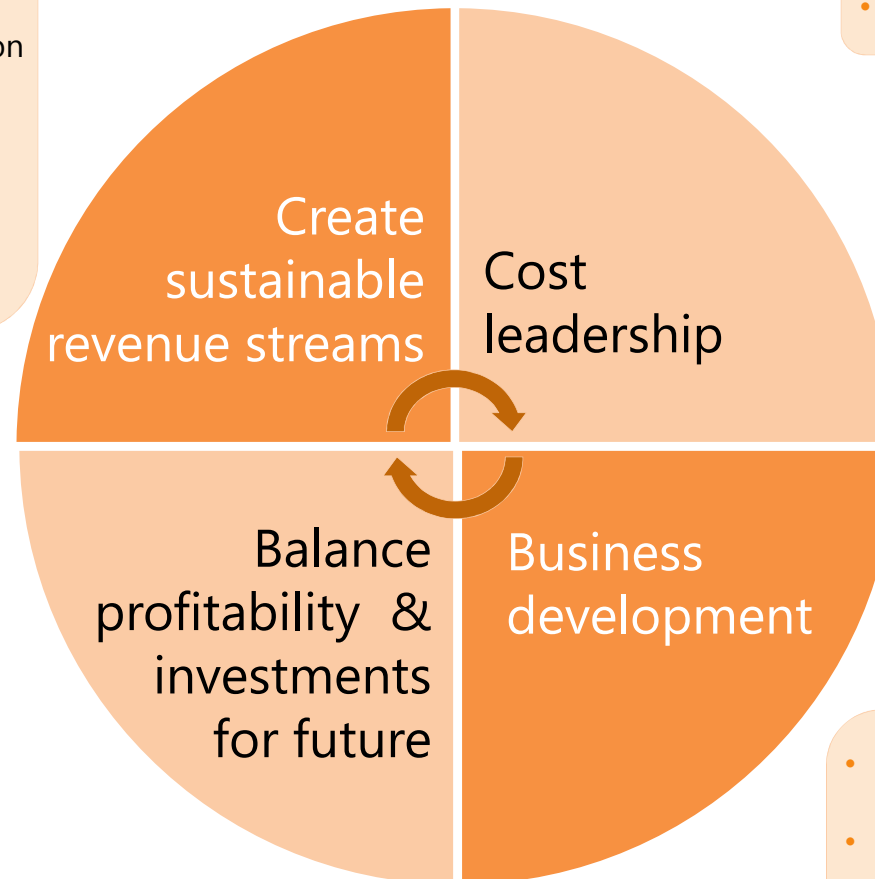
All sales numbers in US\$ for 12 months ended March 31, 2018.

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

# Driving Long Term Growth

- Enhance share of specialty business globally
- Achieve differentiation by focusing on technically complex products
- Focus on key markets – achieve critical mass
- Speed to market
- Ensure sustained compliance with global regulatory standards

- Optimize operational costs
- Vertically integrated operations



- Increasing contribution of specialty and complex products
- Future investments directed towards differentiated products

- Use acquisitions to bridge critical capability gaps
- Focus on access to products, technology, market presence
- Ensure acquisitions yield high return on Investment
- Focus on payback timelines

# Our Specialty Initiatives

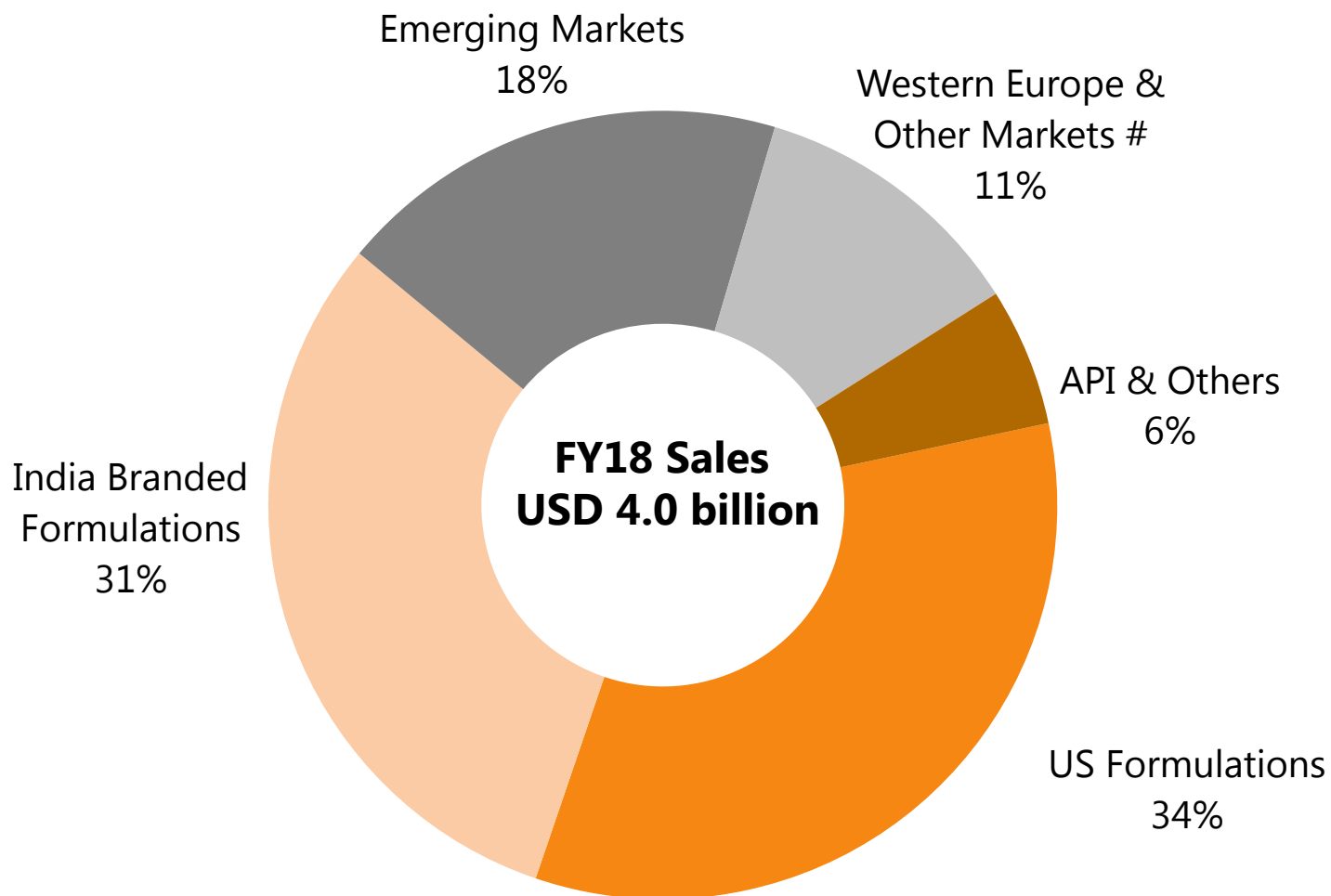


## Ramping up Specialty Pipeline

- Launched Ilumya (tildrakizumab) in US in Oct' 18 for the treatment of Moderate-to-Severe Plaque Psoriasis.
- Phased launch ILUMETRI® (tildrakizumab) by Almirall in Europe
- Initiated clinical trials for two new indications for Ilumya – for psoriatic arthritis and ankylosing spondylitis
- Acquired Ocular Technologies – Gives access to global rights for Cequa – for treating Dry Eye Disease. Announced positive results from confirmatory Phase-3 trials in Jan'17. USFDA approval received for NDA in June 2018. Launch preparations are ongoing.
- Acquired branded oncology product – Odomzo – in Dec'16. Product is approved in 30 countries globally including US, Europe and Australia. Currently marketed in US, Germany, France, Denmark, Switzerland, Australia and Israel.
- Acquired Yonsa - a novel formulation of abiraterone acetate to treat metastatic castration-resistant prostate cancer in combination with methylprednisolone. Product commercialized in US in Q1FY19
- Launched BromSite – first specialty ophthalmology product in US in Nov'16
- Currently marketing Levulan Kerastick (a drug-device combination for treating actinic keratosis) and Absorica (for treating acne) in the US dermatology market.
- Acquired InSite Vision - Focuses on developing new specialty ophthalmic products, has two drug candidates undergoing clinical trials.
- In-licensed Xelpros (ophthalmology) and Elepsia (CNS) products from SPARC. Xelpros launched in US in Jan '19



# Highly Diversified Revenue Base

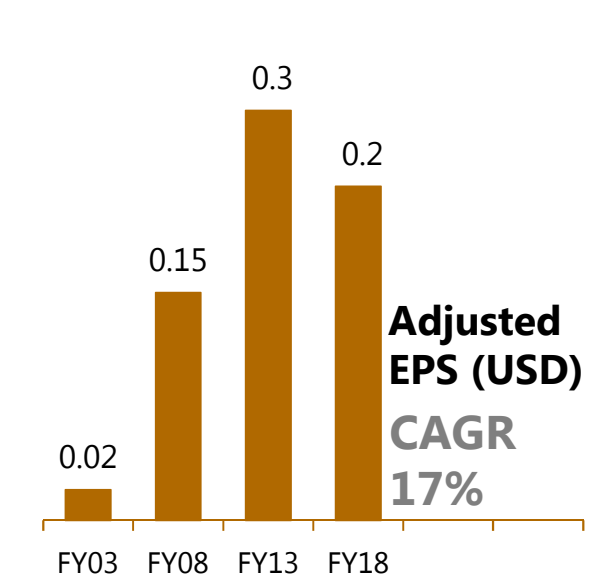
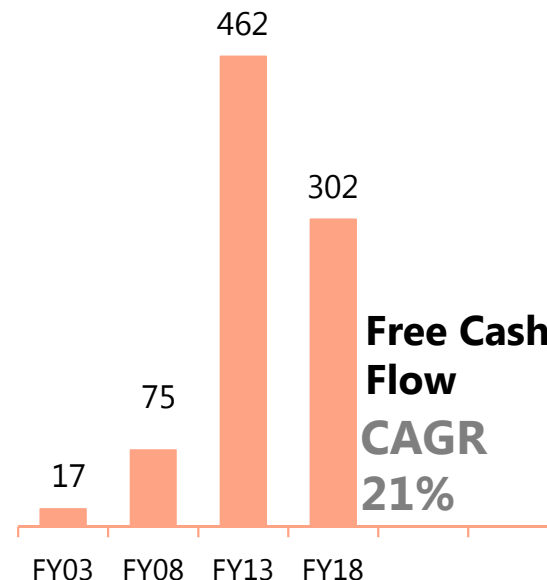
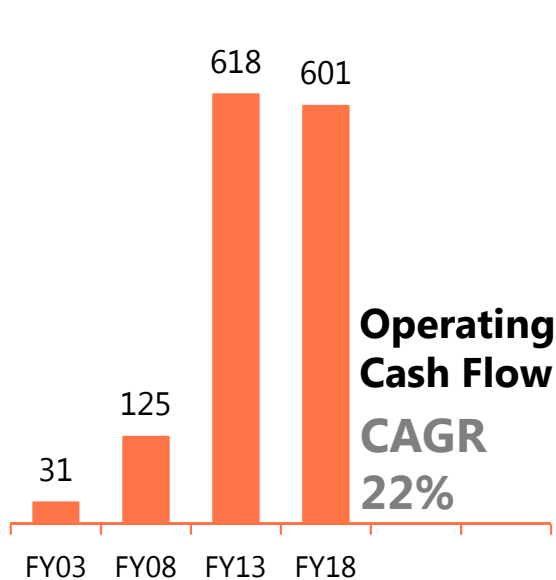
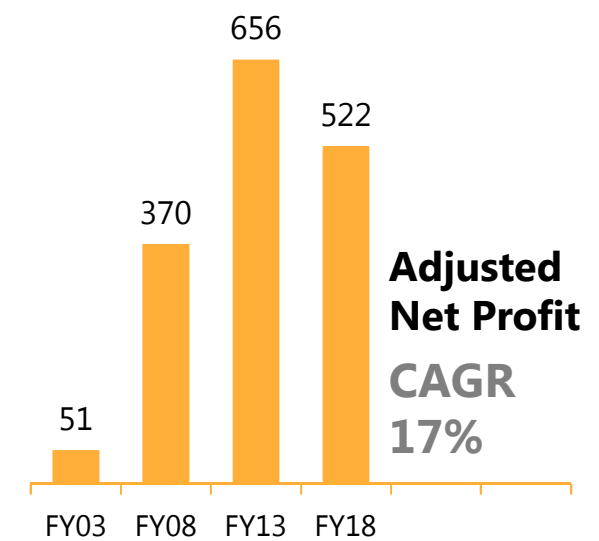
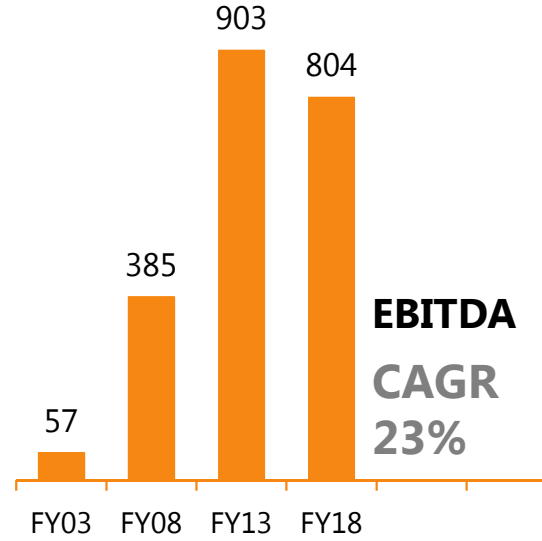
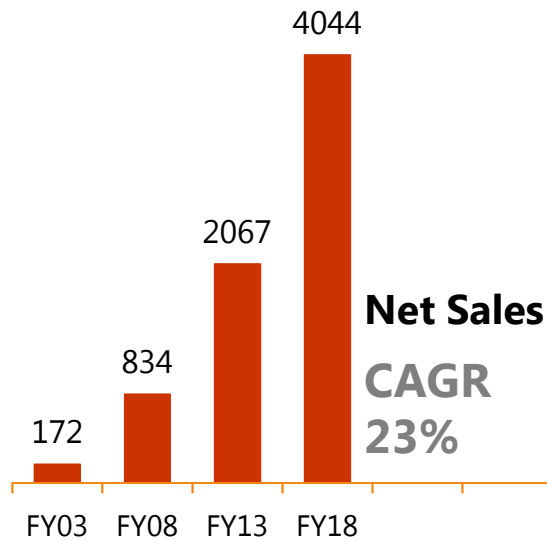


# Includes Western Europe, Canada, Japan , Australia, New Zealand and other markets.

# Impressive Track Record of Growth



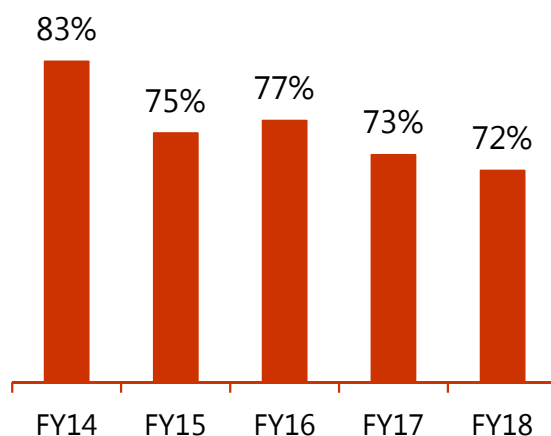
(All Figures in USD Million)



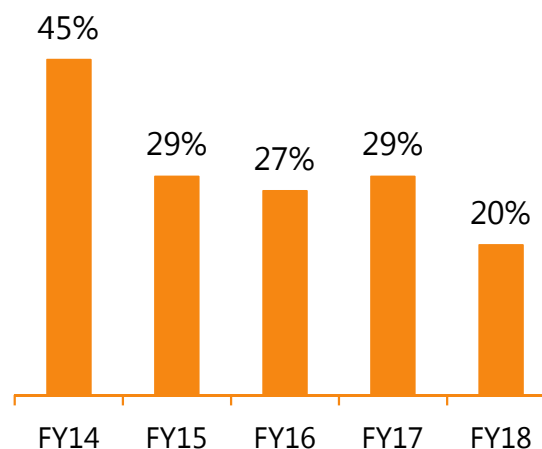
# Consistent profitability and returns



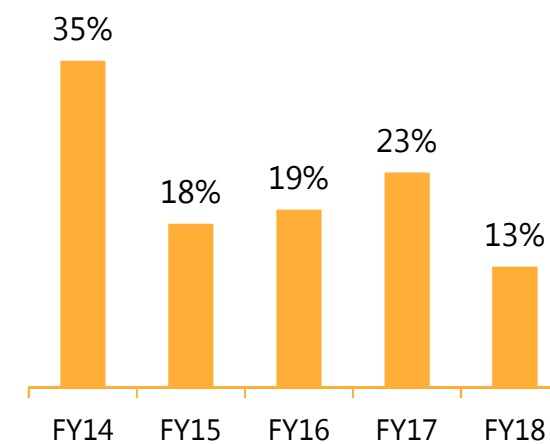
## Gross Margin #



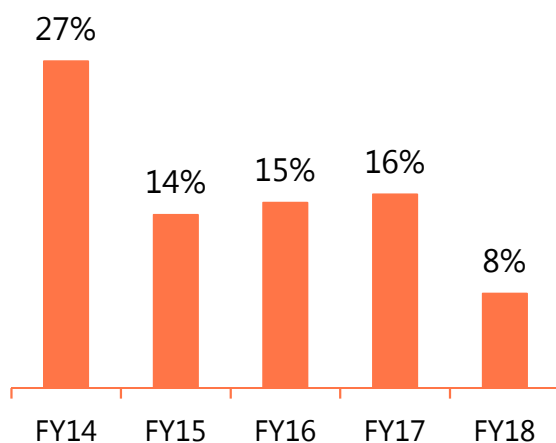
## EBITDA Margin



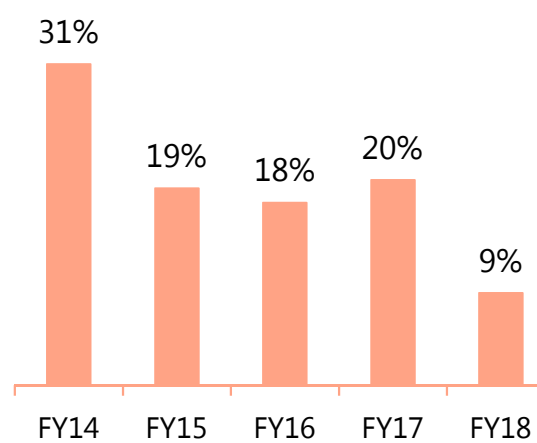
## Net Margin (adjusted)



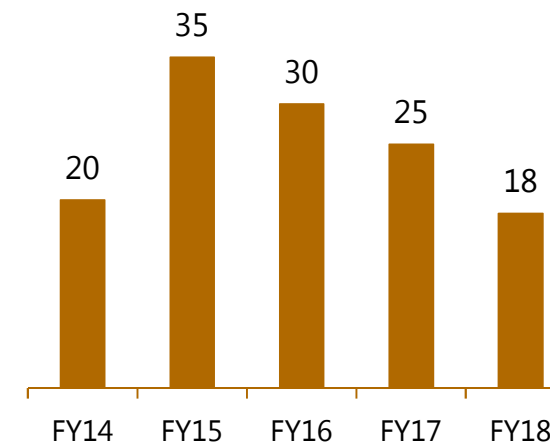
## ROCE



## ROE



## Market Cap (USD Bn)



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

(Market Cap as on 31st March )

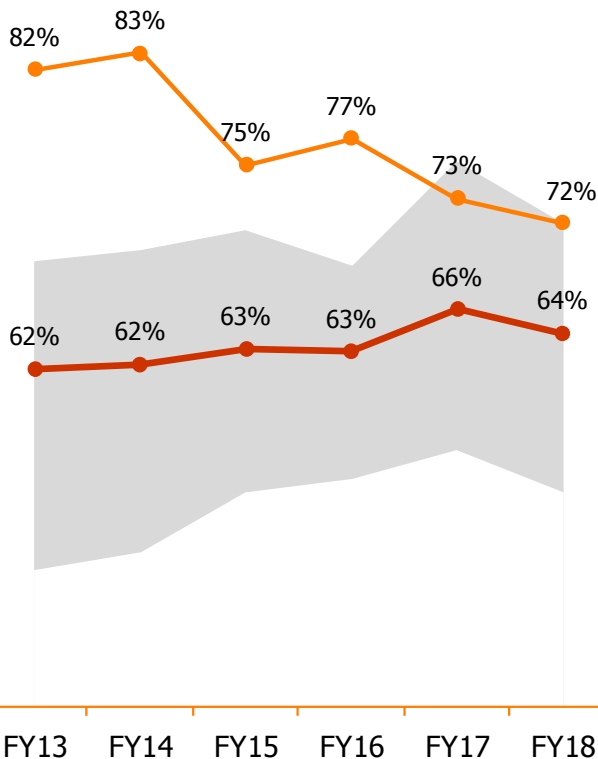
# Sustained Profitability Vs. Peers

Superior business model

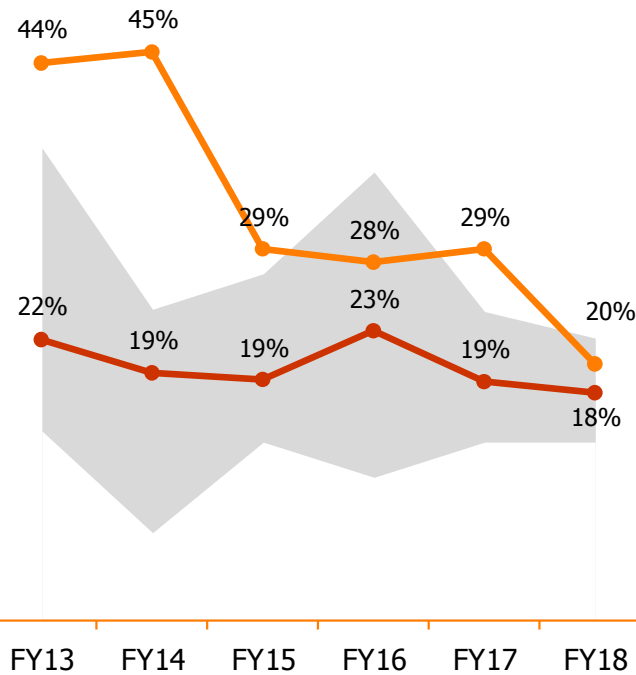
Margins consistently higher than peers#



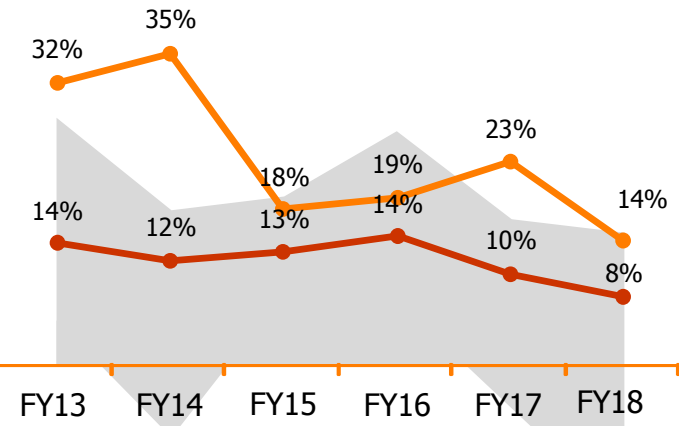
## Gross Margin



## EBITDA Margin



## Net Margin

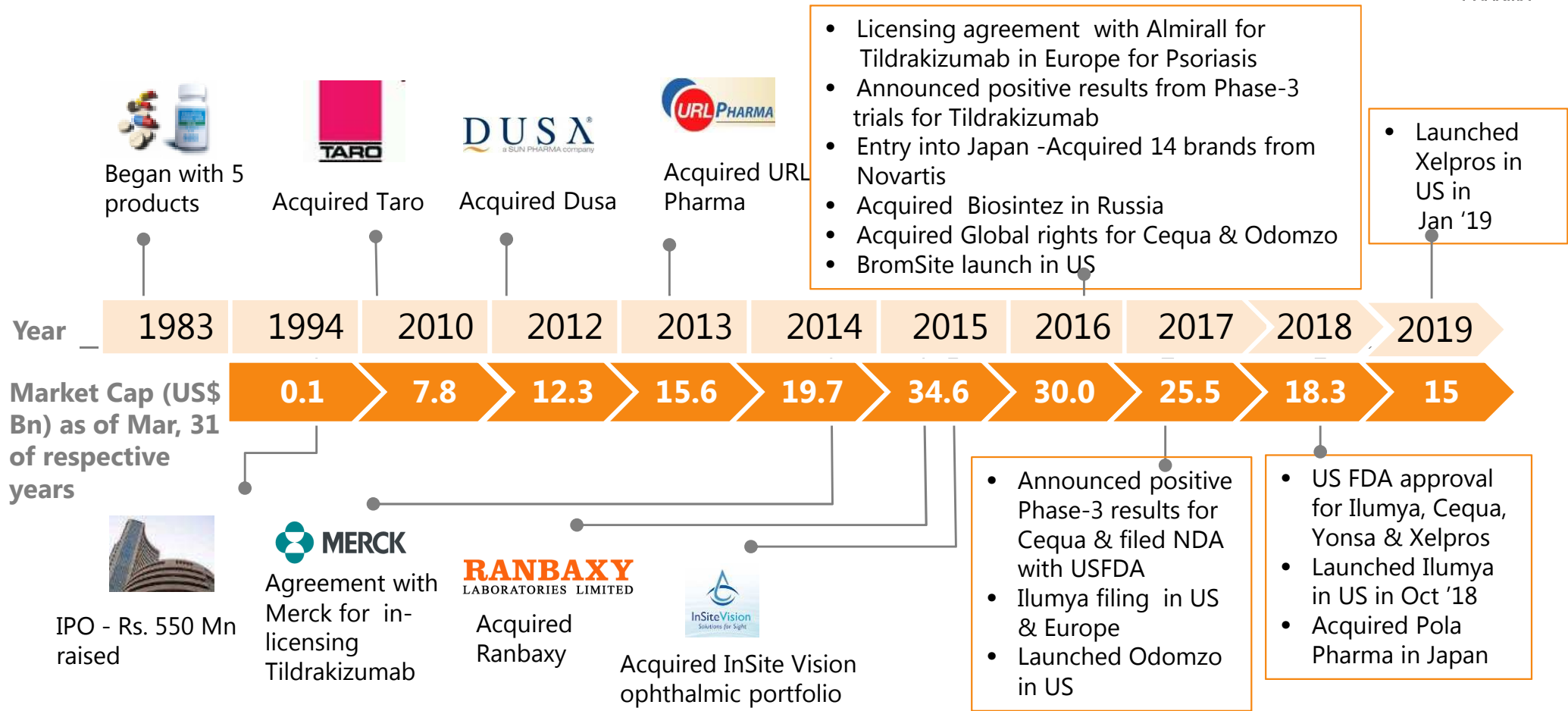


Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

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

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

# Creating Value, Continuously...



## Sun Pharma Today



32,000+ Employees



Invested over USD 2.3 Bn in R&D till date



Part of NSE Nifty & BSE Sensex in India



44 Manufacturing facilities in 6 Continents



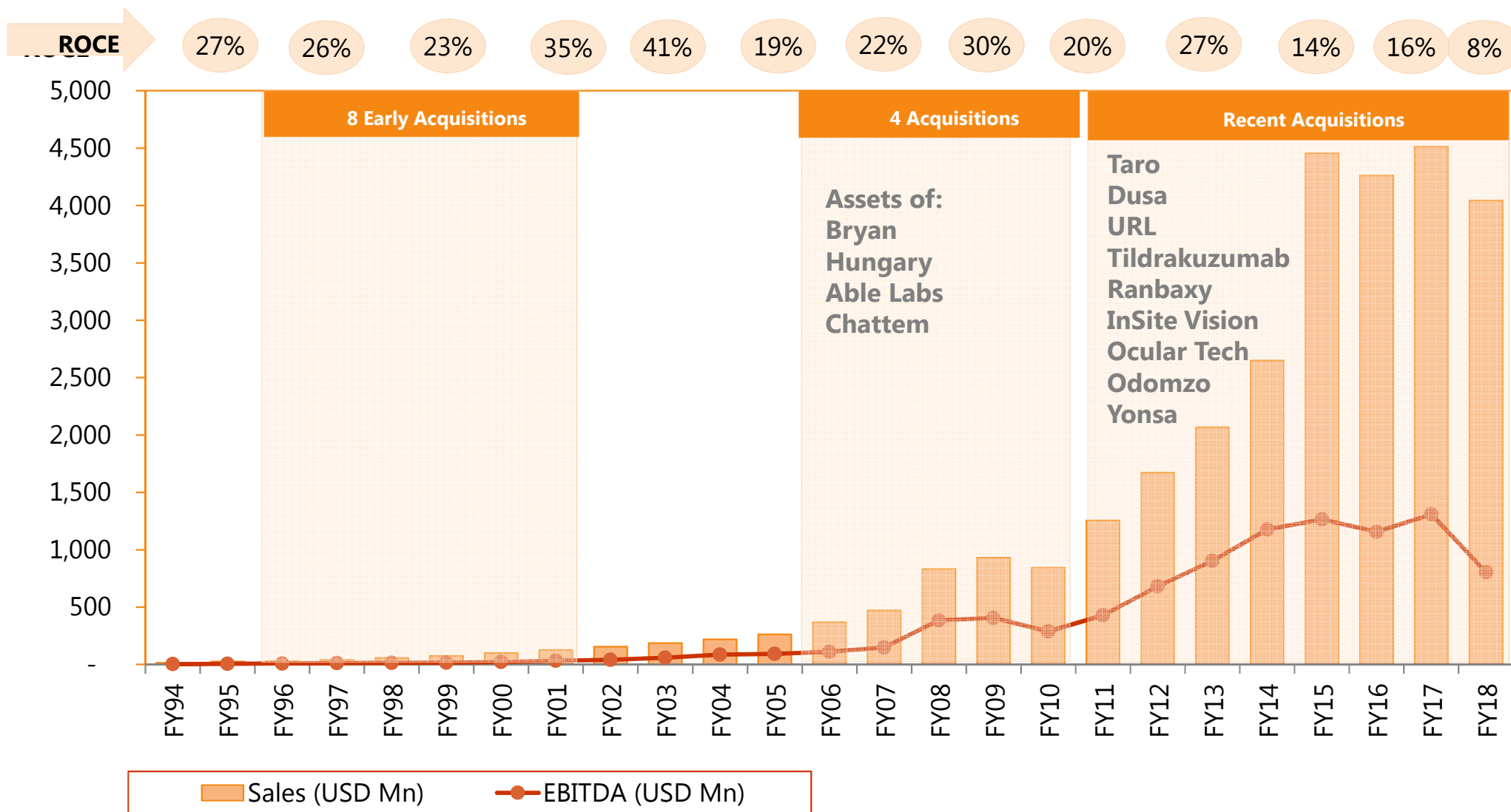
68% of sales from international markets

# Key Deals & Rationale

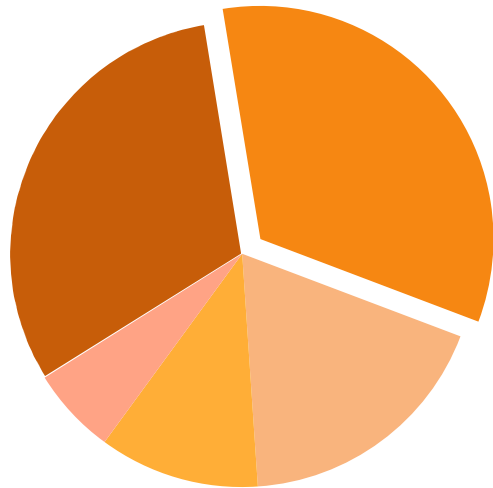


Year	Deals	Country	Rationale
2018	Acquired Pola Pharma in Japan	Japan	Building global dermatology business
2016	Acquired global rights for Cequa & Odomzo	Global	Enhances specialty pipeline.
2016	Acquired Biosintez	Russia	Local manufacturing capability to enhance presence in Russian market
2016	Licensing agreement with Almirall for Tildrakizumab for Psoriasis	Europe	Strengthening the distribution of Tildrakizumab in Europe
2016	Acquired 14 brands from Novartis	Japan	Entry into Japan
2016	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand "Oxra" & "Oxramet"® (brands of dipagliflozin, used for diabetes treatment)
2015	Acquired InSite Vision Inc.	US	Strengthens branded ophthalmic portfolio in U.S.
2015	Acquisition of GSK's Opiates Business	Global Markets	Vertical Integration for controlled substances business
2015	Distribution agreement with AstraZeneca	India	Distribution services agreement in India for brand "Axcer"® (brand of ticagrelor, used for the treatment of acute coronary syndrome)
2015	Sun Pharma – Ranbaxy Merger	Global Markets	Strengthen position as the 5 <sup>th</sup> largest Global Specialty Generic Pharma Company, No.1 Pharma Company in India & Strong positioning in Emerging Markets
2014	In-licensing agreement with Merck for Tildrakizumab a biologic for psoriasis	Global Markets	Strengthening the specialty product pipeline
2014	Acquired Pharmalucence	US	Access to sterile injectable capacity in the US
2013	Acquired URL's generic business	US	Strengthens generics business in US
2012	Acquired DUSA Pharma, Inc.	US	Access to specialty drug-device combination in dermatology segment
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Access to dermatology generic portfolio Manufacturing facilities at Israel & Canada
1997	Acquired Caraco	Detroit, US	Entry into US Market

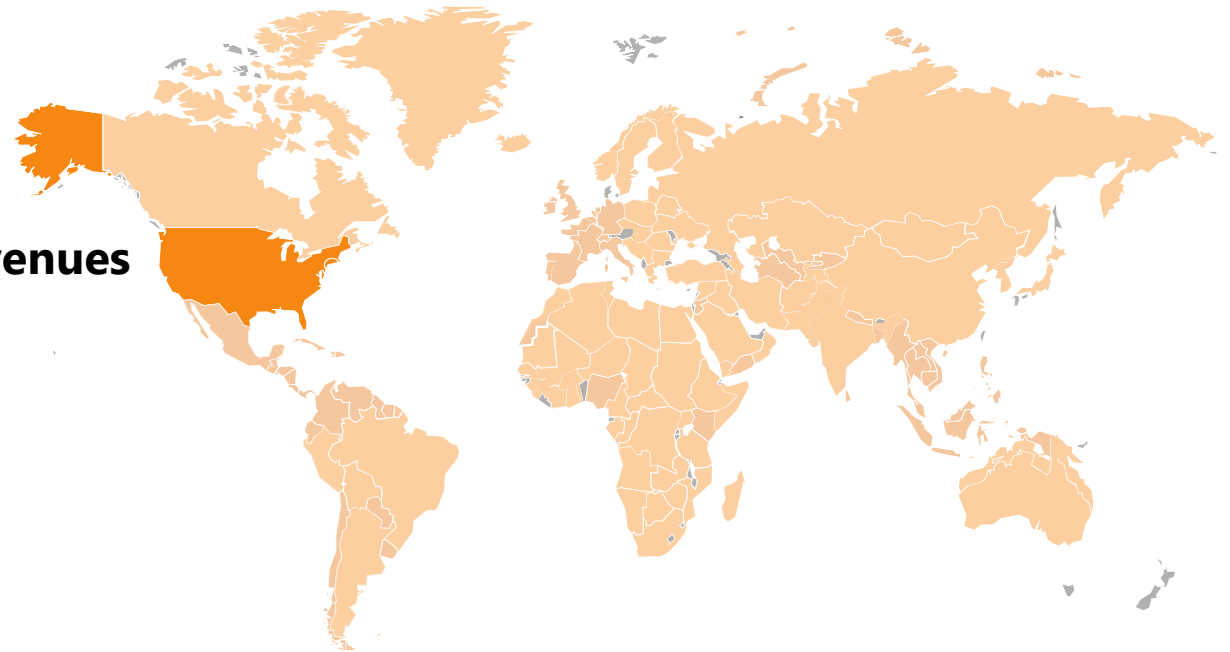
# Successful track record of turning around acquisitions



# US Business



**34% of Revenues**





# US Business at a glance



6<sup>th</sup> Largest Pharma Company in the US Generics Market \*

## Dermatology Segment

- Largest generic dermatology company and amongst top 5 branded dermatology company in the US

## Comprehensive Portfolio

- Wide basket of 564 ANDAs & 55 NDAs filed and 441 ANDAs & 49 NDAs approved across multiple therapies

## Robust Pipeline

- 123 ANDAs & 6 NDAs pending FDA approval, including a combination of complex generics, FTF opportunities and pure generics

## Market Presence

- Presence in generics, branded & OTC segments

## Flexible Manufacturing

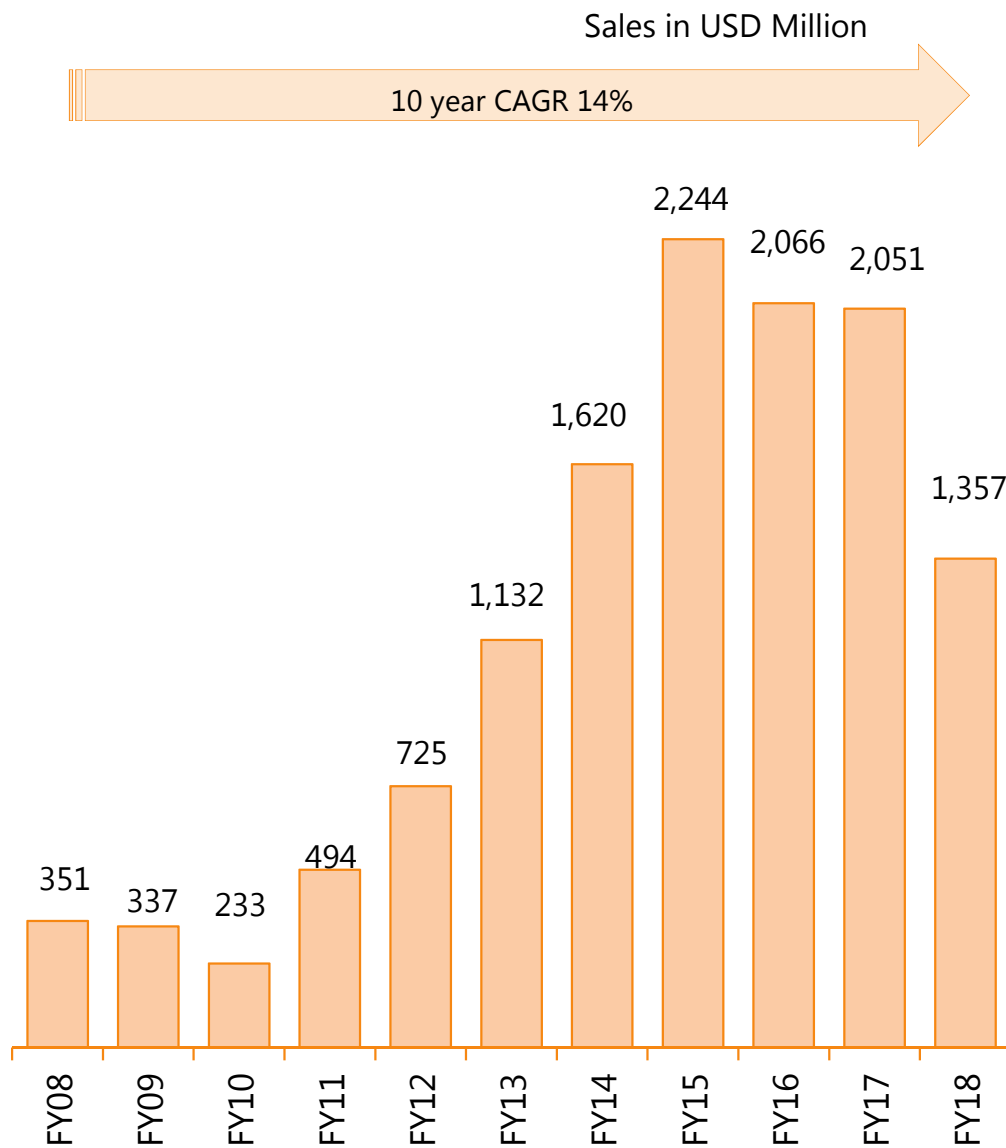
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

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

# US Business – Sales buildup & Key milestone



## Key Milestones in US

FY98

- Entry in US through Caraco acquisition

FY10

- Acquired Taro Pharma – Entry into US dermatology market

FY13

- Acquired DUSA - Entry in branded specialty market

FY16

- Acquired InSite Vision – Strengthen ophthalmic portfolio

FY17

- Tildrakizumab filing in US & Europe
- Acquired Ocular Technologies giving access to Cequa, a product for treating dry eyes.
- Launched BromSite in US
- Acquired Odomzo branded oncology product from Novartis

FY18

- Launched Odomzo in US
- Settlement of Patent Litigation for Generic Linzess® in US
- US FDA approval for Ilumya

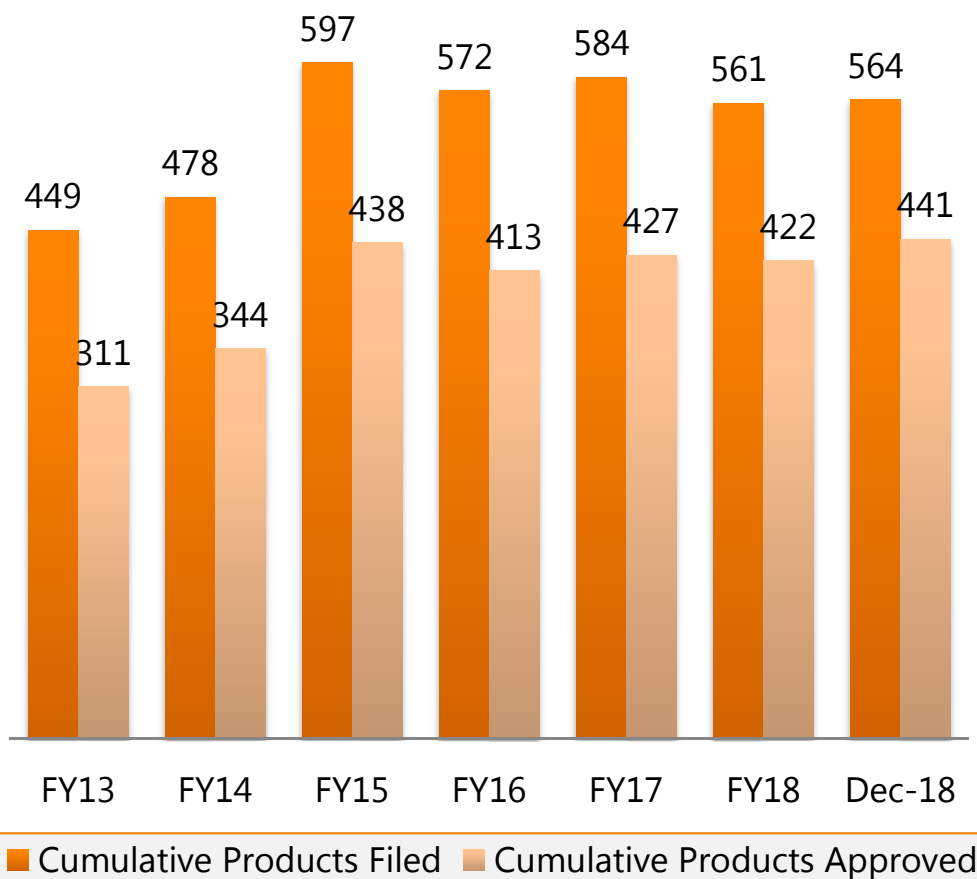
FY19

- Launched Ilumya & Yonsa in US
- Received USFDA approval for Cequa
- Launched Xelpros in US

# ANDA Pipeline - Significant ramp up

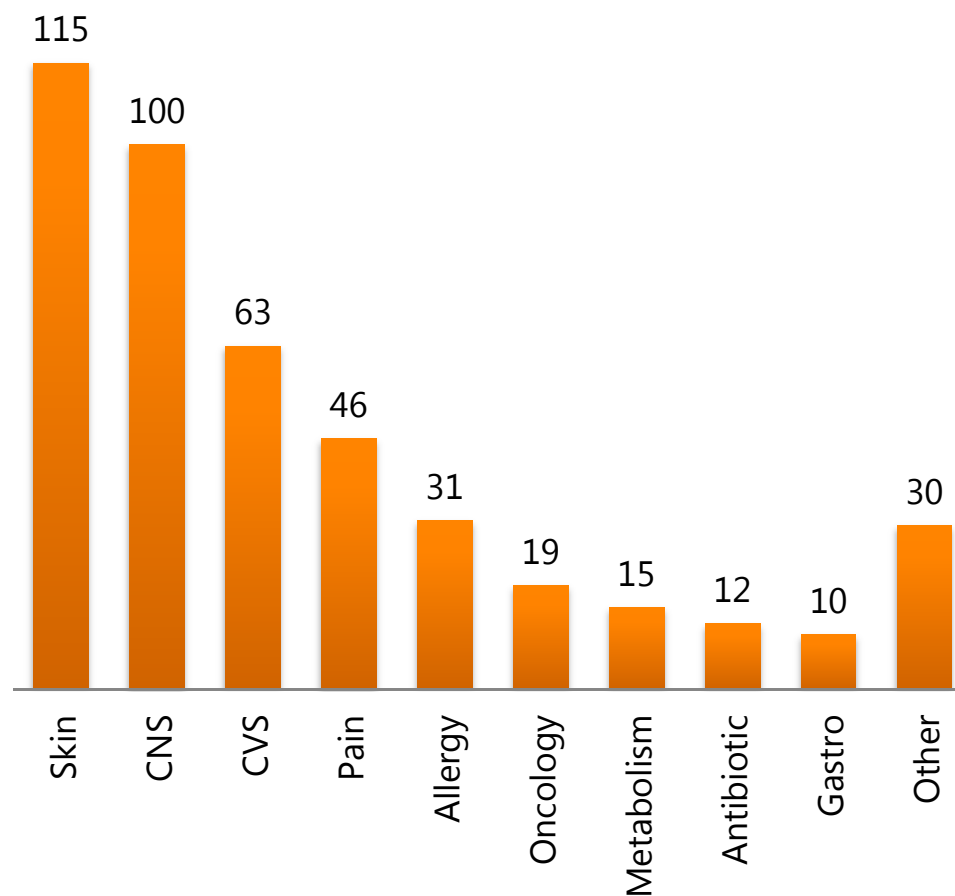


## ANDAs Filed and Approved



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

## 441 ANDA Approvals by Therapeutic Area



(As of Dec'18)

# India Branded Generic Business



**31% of Revenues**



# India Business at a glance



## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.2% market share

### Prescription Ranking###

- No. 1 ranked by prescriptions with 10 different classes of doctors

### Chronic Segment

- Market leader in the chronic segment

### Acute Segment

- Strong positioning in the acute segment

### Product Offering

- Specializes in technically complex products and offers a complete therapy basket

### Strong Brand Positioning\*\*

- 30 brands in the country's top 300 pharmaceutical brands

### De-risked Growth\*\*

- Top 10 Brands contribute approx. 17% of India revenues
- Growth driven by a basket of brands – low product concentration

### Extensive Sales Force

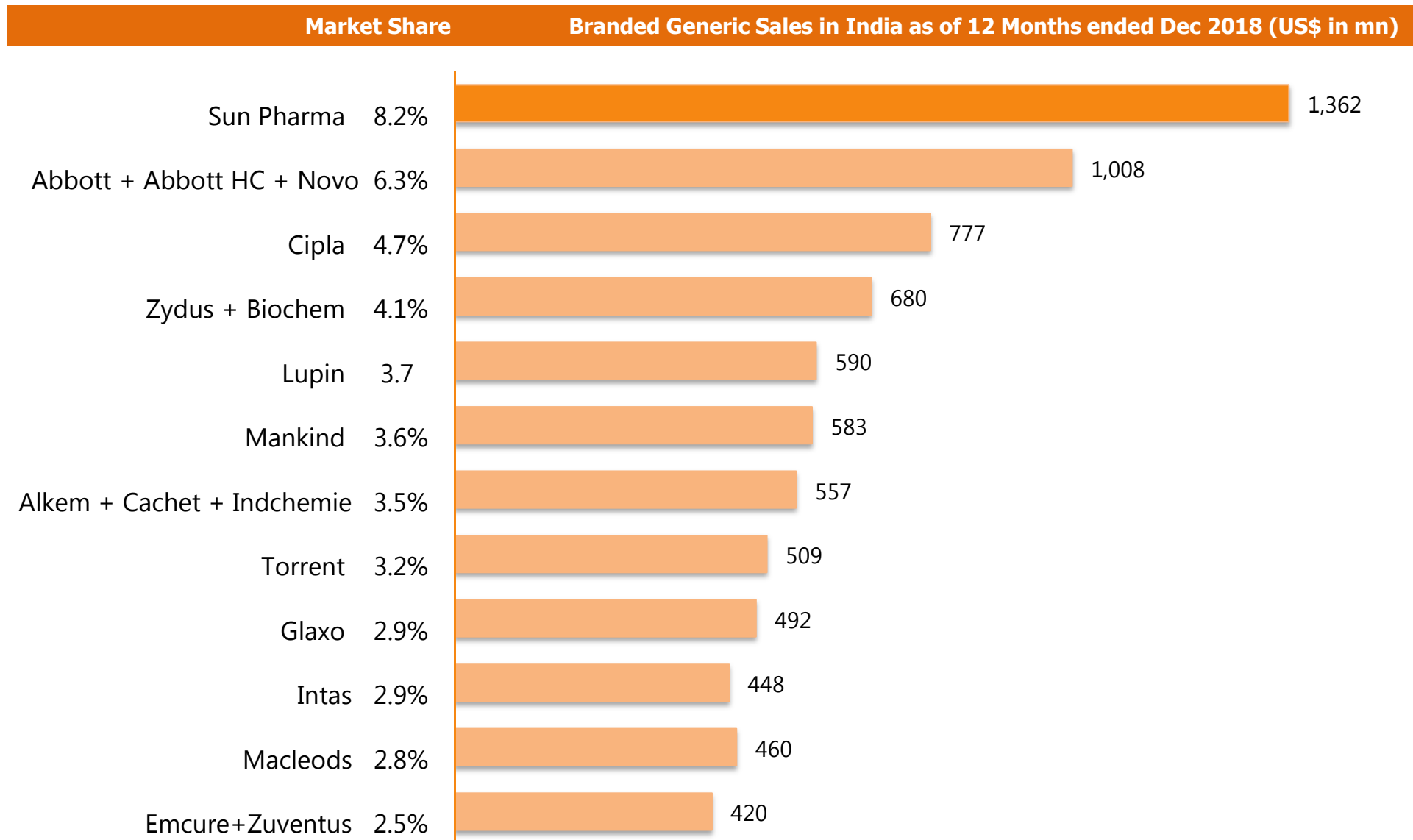
- 9,200+ strong field force covering over 400,000\* doctors

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

### - As per SMSRC data for Oct'18

\* Does not exclude overlaps

# Largest Pharma Company in India

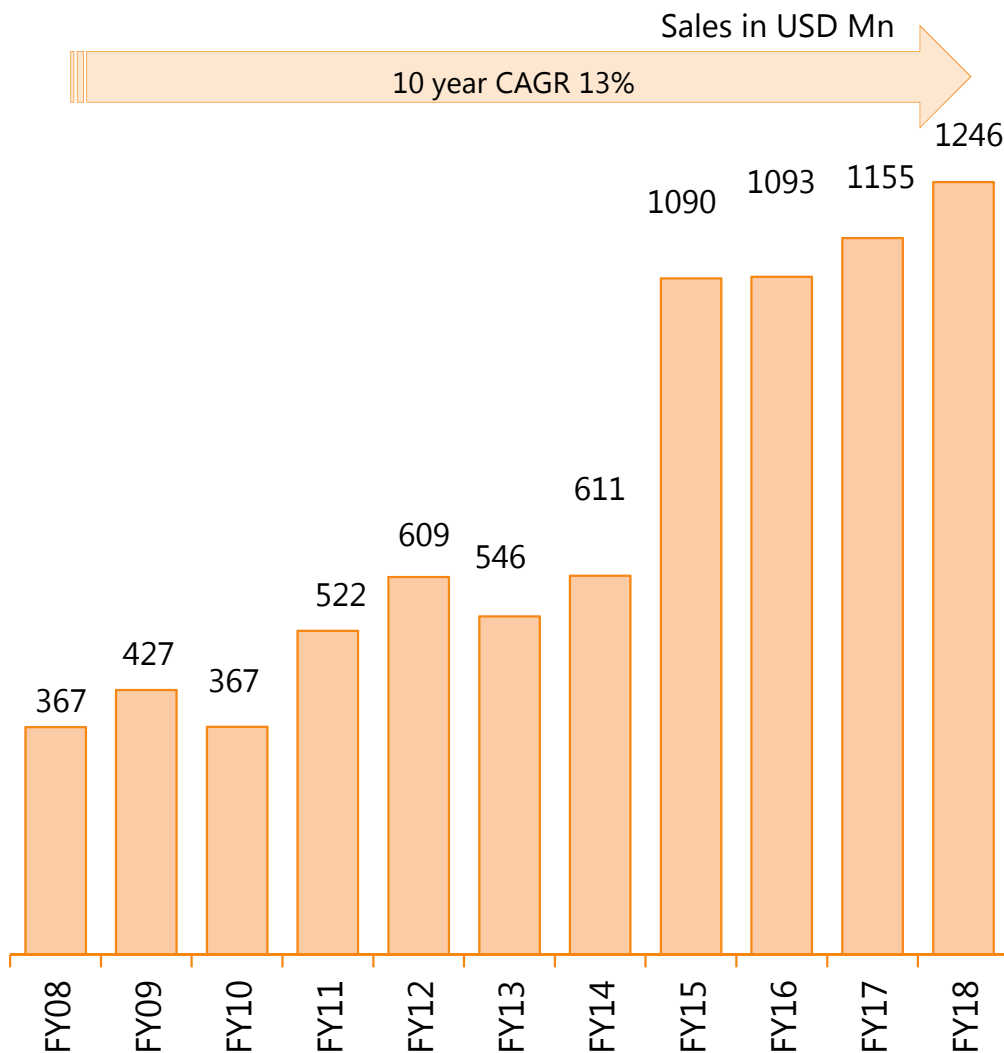


Source: AIOCD AWACS MAT Dec 2018 data converted at average of Rs. 72.04/US\$

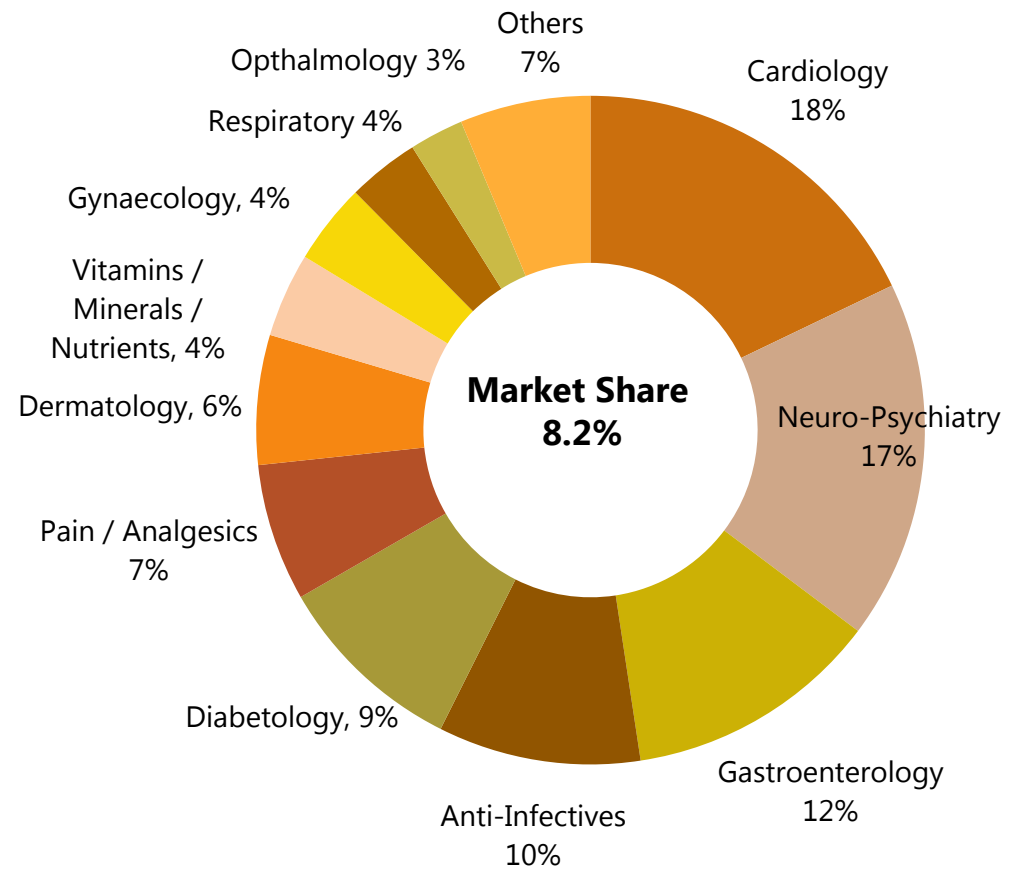
# India Business – Sales ramp-up



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



## Therapeutic Revenue Break-up



As per AIOCD AWACS – Dec '18

# Strong Customer Focus Drives Market Share Gains



## Therapy focused marketing

- 9,200+ sales representatives
- Covering over 400,000\* doctors

## Strong increase in market share

- Sun pharma market share has consistently increased from 2.4% in 2000 to 7.7% in 2018 (IMS Data for Dec'18)

\* Does not exclude overlaps

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

Year -2000	%	Year -2005	%	Year -2010	%	Year -2015	%	Year -2018	%
Sun Pharma	2.4	Sun Pharma	3.3	Sun Pharma	3.7	Sun Pharma	8.0	Sun Pharma	7.7
Cipla	4.7	Cipla	5.1	Cipla	5.4	Cipla	5.2	Cipla	5.2
Lupin	2.0	Lupin	2.2	Lupin	2.7	Lupin	3.2	Lupin	3.6
Cadila	3.8	Cadila	3.7	Cadila	3.7	Cadila	3.4	Cadila	3.1
DRL	2.6	DRL	2.3	DRL	2.3	DRL	2.4	DRL	2.2
Torrent	1.8	Torrent	1.9	Torrent	2.0	Torrent	2.4	Torrent	3.3
Glenmark	1.0	Glenmark	1.2	Glenmark	1.5	Glenmark	2.0	Glenmark	2.1
Wockhardt	2.2	Wockhardt	1.9	Wockhardt	2.0	Wockhardt	1.6	Wockhardt	1.4
Ipca	1.1	Ipca	1.3	Ipca	1.4	Ipca	1.5	Ipca	1.5
Ranbaxy	4.8	Ranbaxy	4.9	Ranbaxy	4.9	Unichem	1.0	FDC	1.0



# Leadership in key therapeutic areas\*



Number 1 Ranking with 10 Doctor Categories\*

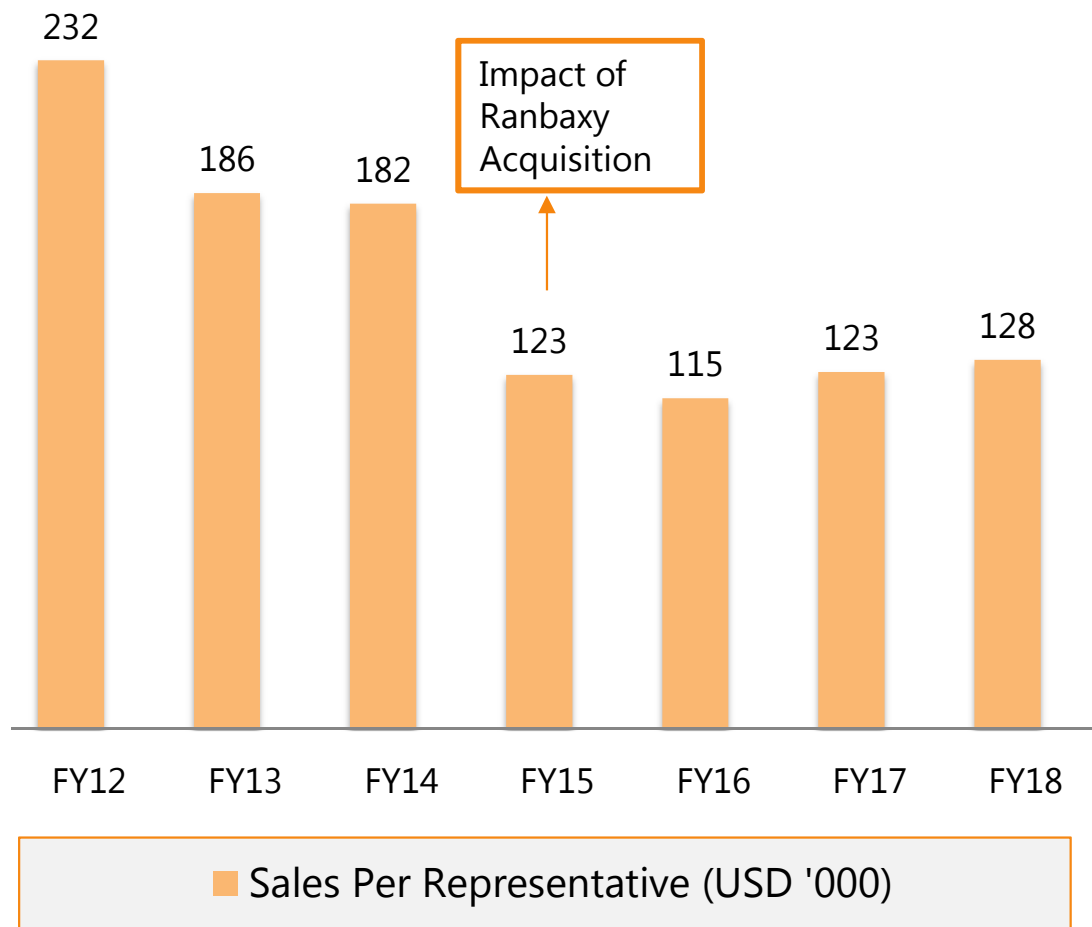
Specialist	Prescription Ranking				
	Oct'14	Oct '15	Oct '16	Oct '17	Oct '18
Psychiatrists	1	1	1	1	1
Neurologists	1	1	1	1	1
Cardiologists	1	1	1	1	1
Orthopaedic	1	1	1	1	1
Gastroenterologists	1	1	1	1	1
Nephrologists	1	1	1	1	1
Diabetologists	2	1	1	1	1
Ophthalmologists	1	1	2	1	1
Dermatologists	6	1	1	1	1
Urologists	6	1	1	1	1
Oncologists	8	1	1	2	2
Consulting Physicians	5	1	1	1	2
Chest Physicians	5	2	2	2	3

\*Ranks based on prescription share

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

# Best-in-class field force productivity

## Sales Per Representative (USD '000)



### Field Force Productivity

Sun  
Pharma

- USD 128,106 / MR

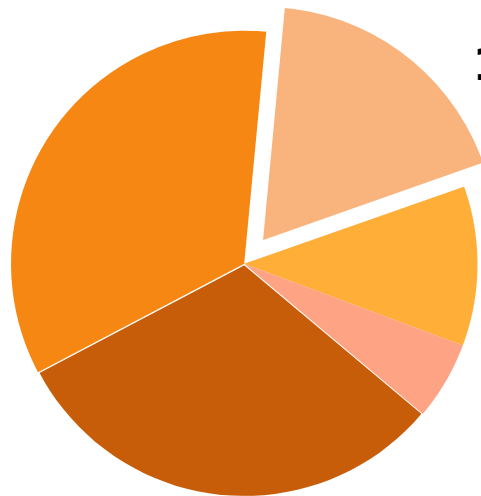
Industry  
Average\*

- USD 89,972 / MR

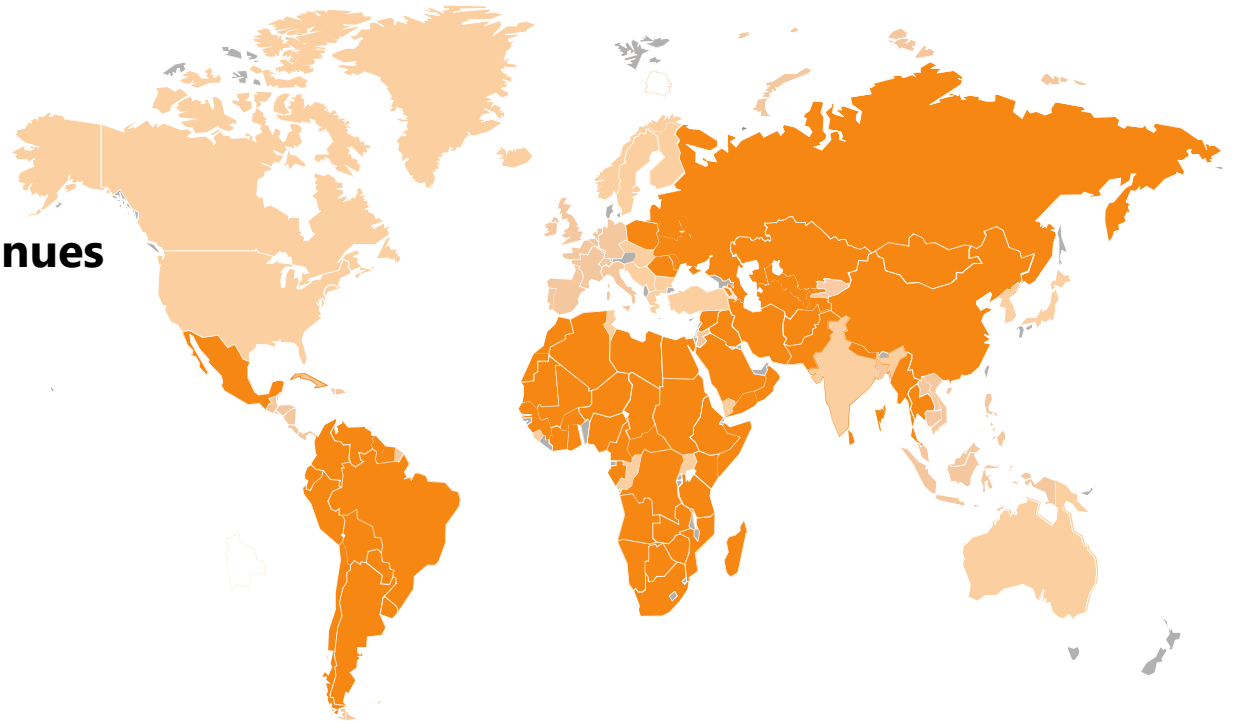
\* Based on brokerage reports

- Well trained and scientifically oriented sales representatives team with strong performance track record
- Field force with highest productivity amongst key players in India

# Emerging Markets



**18% of Revenues**



# Emerging Markets Business at a glance



## Largest Indian Company in Emerging Markets

### Global footprint

- Presence in over 100 markets

### Focus Markets

- Brazil, Mexico, Russia, Romania, South Africa and complementary & affiliated markets

### Product Portfolio

- Extensive basket of branded products

### Customer Focus

- Strong relationships with doctors and medical practitioners

### Sales Force

- Approximately 2,300 Sales Representatives

### Opportunity

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

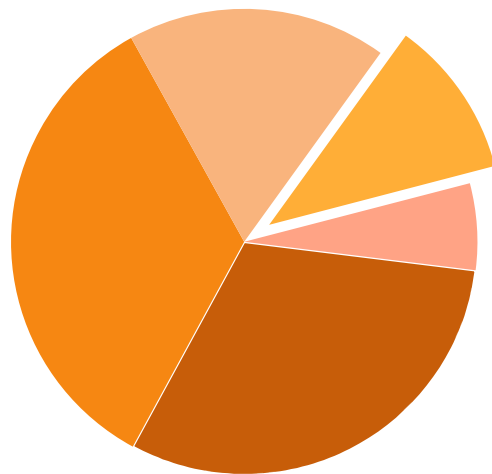
### Local Manufacturing

- Across 7 countries

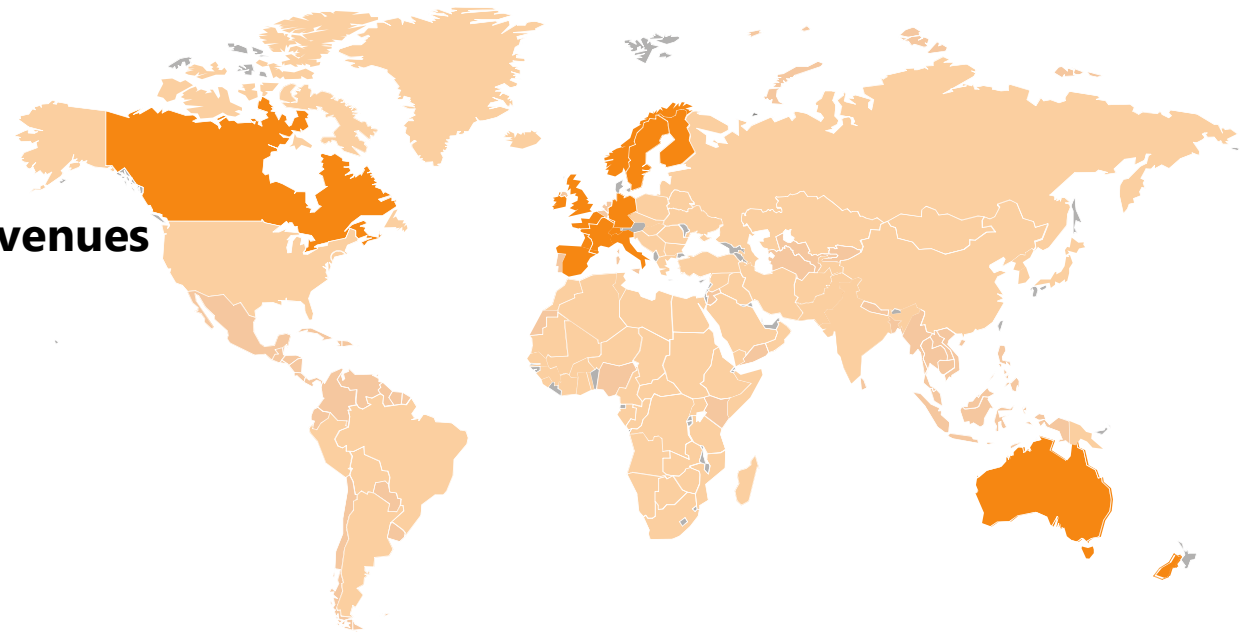
### Russia Acquisition

- Acquired Biosintez to enhance presence in Russian market in Nov' 16 – Gives access to local manufacturing facility.

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



**11% of Revenues**



# Western Europe & Other Markets at a glance



## Amongst the leading Indian Companies

### Market Presence

- Across all major markets in Western Europe, Canada, A&NZ, Japan and few other markets

### Product Portfolio

- Expanding basket of products including injectables and hospital products as well as products for retail market

### Focus

- Development and commercialization of complex generics and differentiated products to drive sustainable and profitable growth

### Sales Force

- Distribution led model

### Local Manufacturing

- At Canada, Israel and Hungary + Servicing from India facilities

### Japan Presence

- Acquired 14 established prescription brands from Novartis in March'16. Acquired Pola Pharma in Japan

# Global Consumer Healthcare Business



# Global Consumer Healthcare Business at a glance

## An Attractive Opportunity

India

- Amongst the top 10 consumer healthcare companies

Global Presence

- Operates in about 20+ countries

Market Focus

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

Strong Brand Equity

- Enjoy strong brand equity in 4 countries

Sales Force

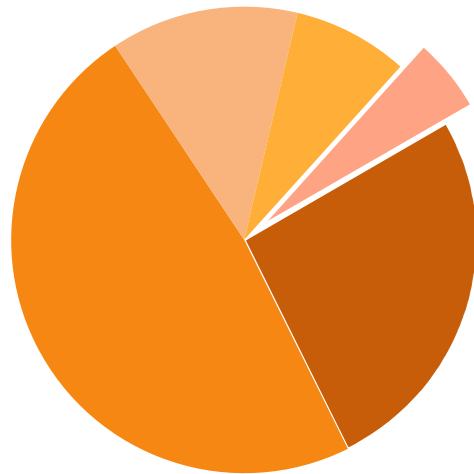
- Promoted through dedicated sales force in each market

Strong Positioning

- Amongst top 10 consumer healthcare companies in India, Romania, Nigeria & Myanmar



# Active Pharmaceutical Ingredients (API) Business



**6% of Revenues**



## Backward Integration – Strategic Importance

### Strategic Importance

- Backward integration provides cost competitiveness and supply reliability

### Customers

- Large generic and innovator companies

### Product Portfolio

- Approximately 300 APIs

### Pipeline Development

- Approx. 20 APIs scaled up annually

### Regulatory approvals

- 303 DMF/CEP approvals to date
- 408 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

# Research & Development



# Research & Development



Cumulative R&D Spend of USD 2.3 billion to date

## R&D Spend

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

## Capabilities

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

## Organization

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

## IPR Support

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

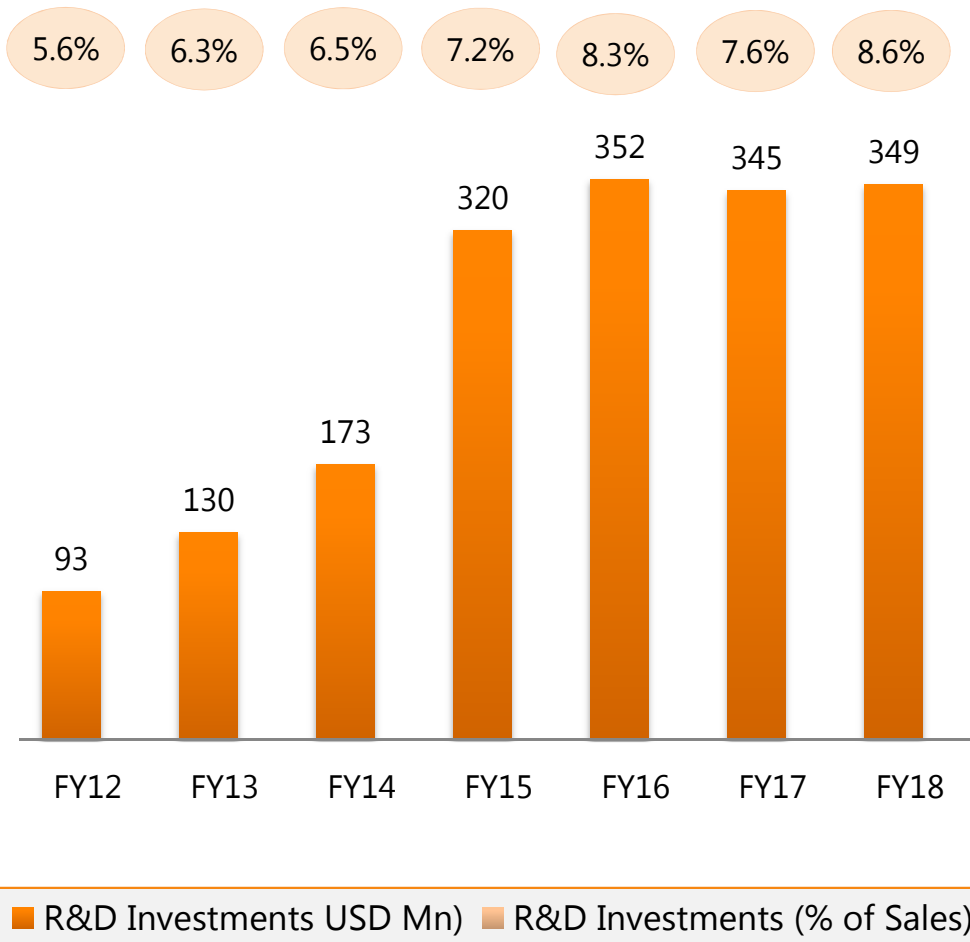
## Focus

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

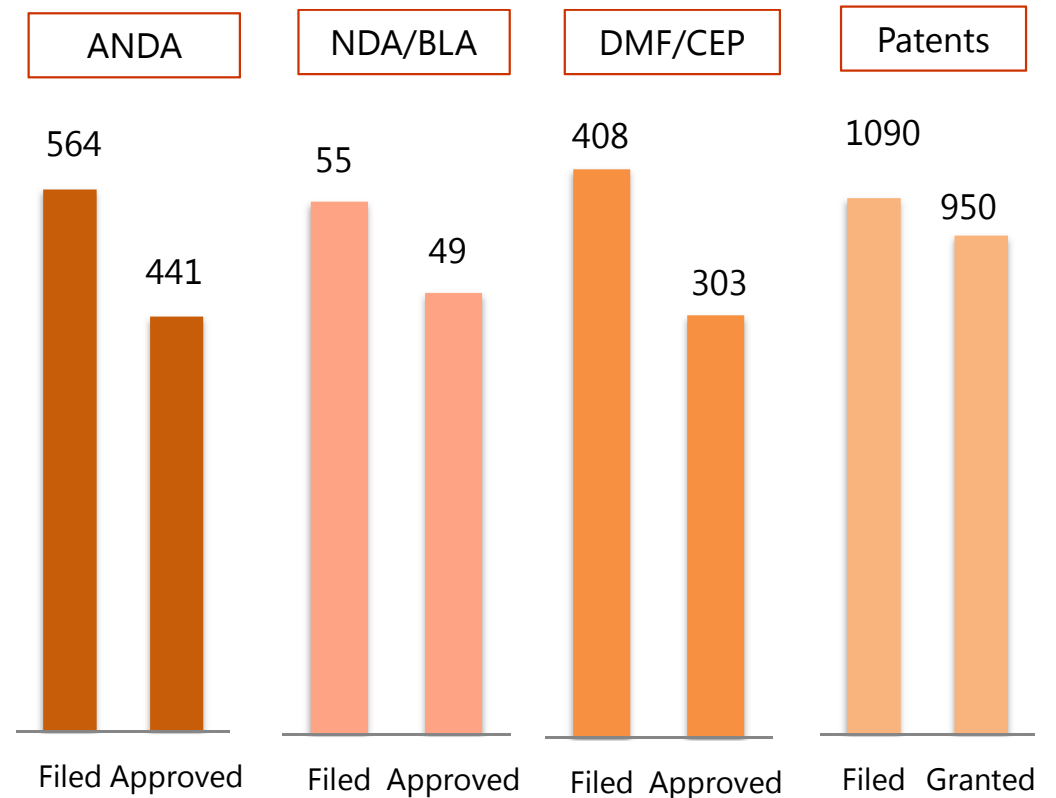
# R&D Investments



## R&D Investments



## Filings and Approvals



As of Dec 31, 2018

# Global Manufacturing Presence



# Global Manufacturing Presence



## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 44 manufacturing facilities across India, the Americas, Asia, Africa, Australia and Europe

### Integrated Network

- Vertically integrated network across six continents enabling high quality, low cost and a quick market entry across the geographies

### Capabilities

- One of the few companies that has set up completely integrated manufacturing capability for the production of oncology, hormones, peptides, controlled substances and steroidal drugs

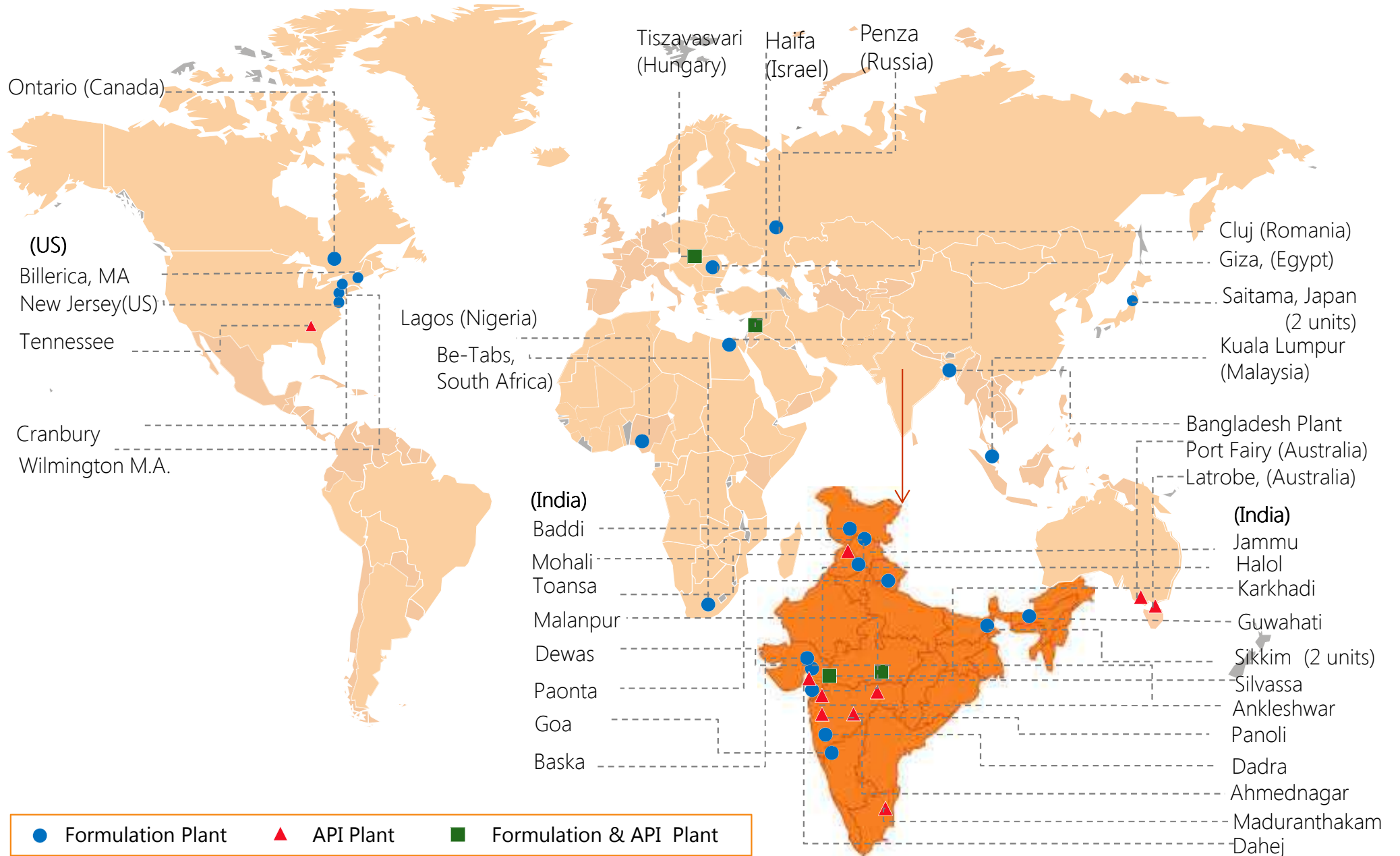
### High Quality

- High quality manufacturing facilities. Many of the plants have received approvals from US FDA, UK MHRA and various other regulatory authorities

### Dosage Forms

- Ability to manufacture a variety of dosage forms – Orals, Creams, Ointments, Injectables, Sprays, Liquids

# Global Manufacturing Footprint





# Finished Dosage Manufacturing

## 30 Finished dosage manufacturing sites

- India : 14, US : 4, Japan : 2
- Canada, Hungary , Israel, Bangladesh, South Africa, Malaysia, Romania, Egypt, Nigeria and Russia : 1 each
- Capacities available for a variety of finished dosages

### Orals

- Tablets / Capsules
- Semisolids
- Liquids
- Suppository

### Injectables / Sterile

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

### Topicals

- Creams
- Ointments

# API Manufacturing

## 14 API manufacturing locations

- India : 9, Australia : 2, Israel : 1, US : 1, Hungary : 1

### Panoli & Ahmednagar (both India)

- International regulatory approvals: USFDA, European
- Stand alone units for peptides, anti-cancer, steroids, sex hormones

**API**  
Key Plants



### Australia, Hungary & Tennessee (US)

- Controlled substances manufacture

# Corporate Governance

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



## Chairman



### **Israel Makov**

Former President & CEO of Teva Pharma. Industries Ltd.

## Independent Director



### **Rekha Sethi**

Director General  
All India Management  
Association (AIMA)

## Independent Director



### **Vivek C. Sehgal**

Chairman, Samvardhana  
Motherson Group &  
Motherson Sumi Systems  
Ltd.

## Independent Director



### **Gautam B. Doshi**

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

# Financials



# Financials



Market Capitalisation Rs. 1,070 billion / US\$ 15 billion

( All Figures in USD. Mn )

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

Exchange Rate :

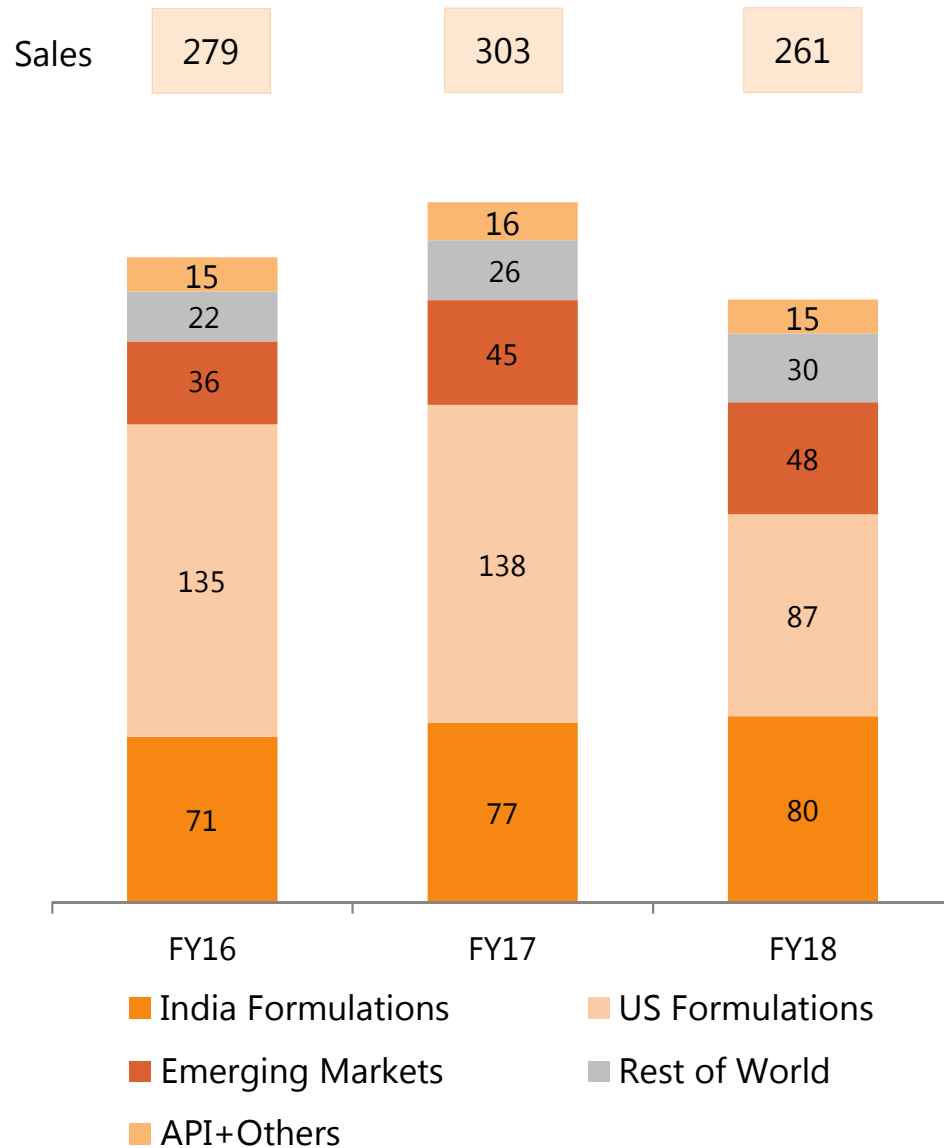
For Market Capitalisation US\$1 = Rs 70.94 (As on 13 February 2018)

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

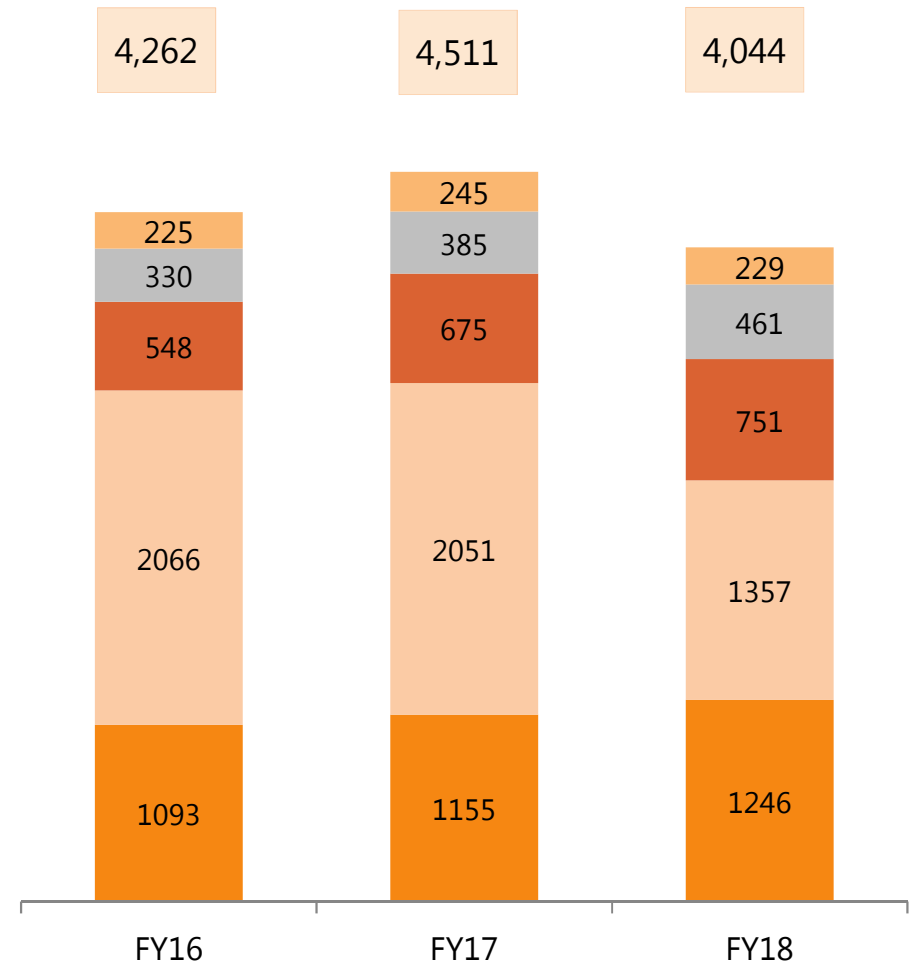
# Sales Break-up



## In INR Billion



## In USD Million



*#Exchange Rate : US\$1 = Rs 65.43 (for FY16)  
 US\$1 = Rs 67.07 (for FY17)  
 US\$1 = Rs 64.46 (for FY18)*

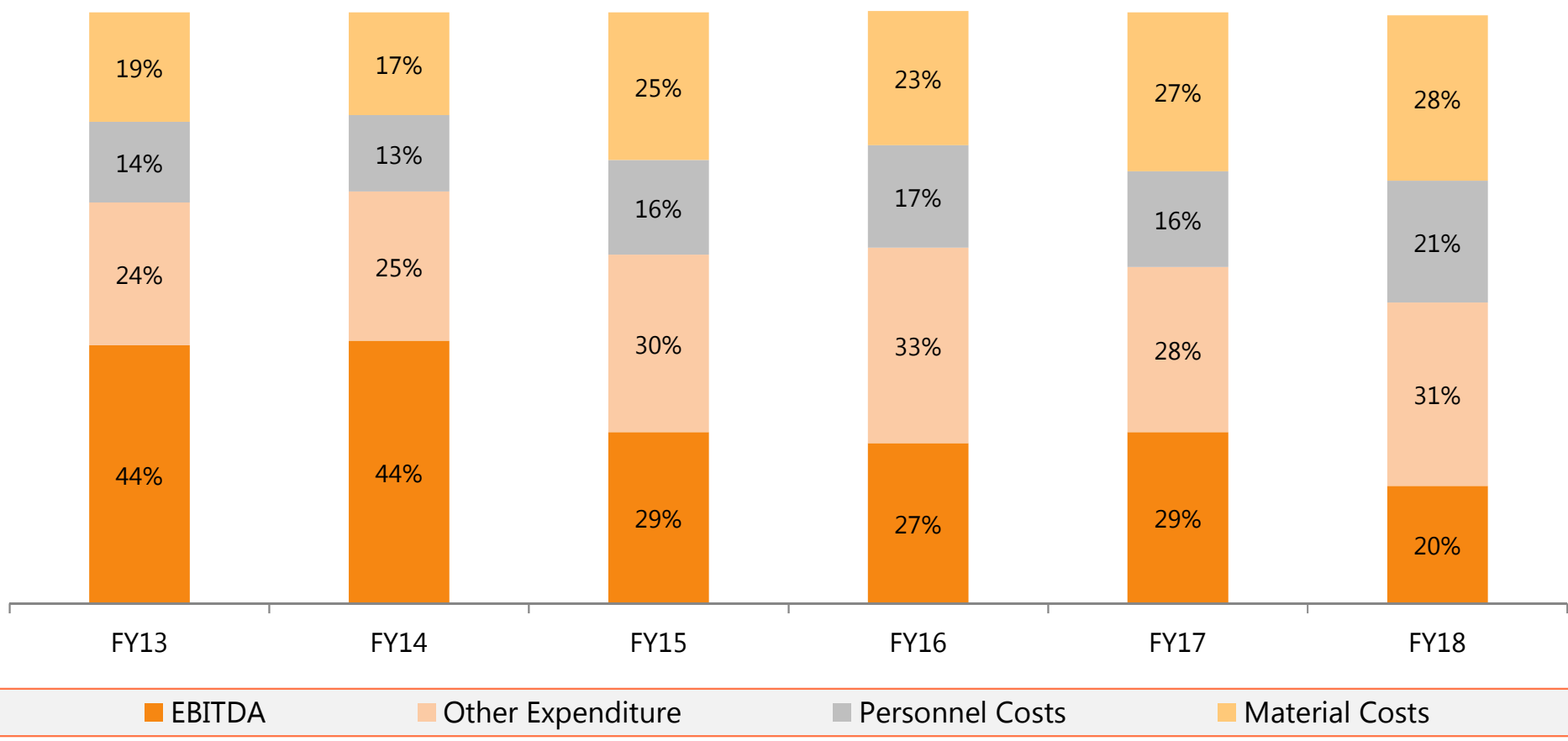
# EBITDA Trend



## In USD Billion

Sales	2.1	2.7	4.5	4.3	4.5	4.0
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% of Sales

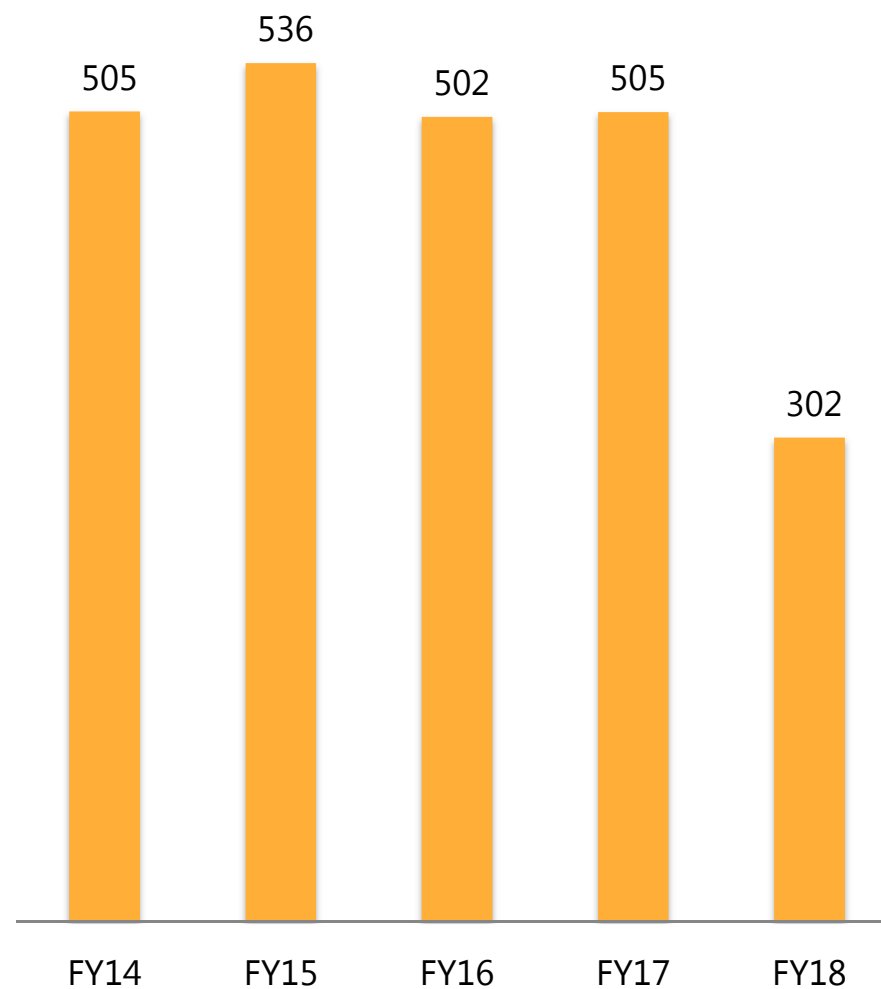
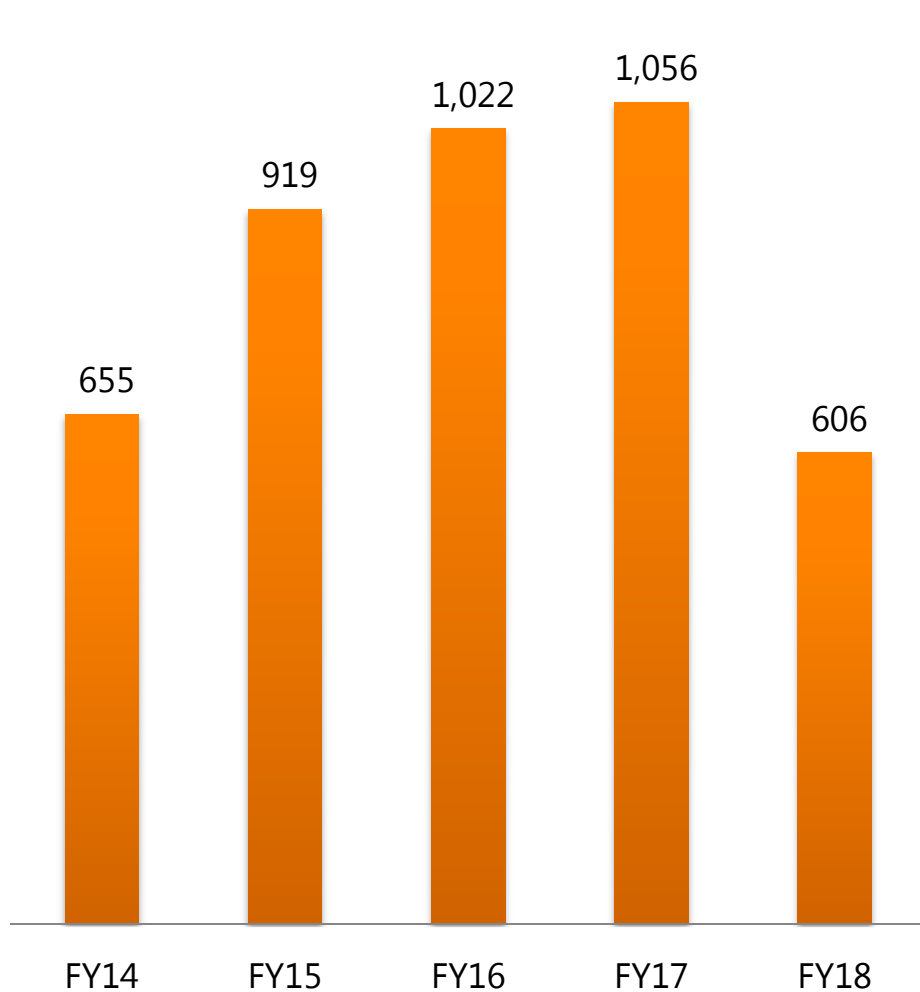


# Cash Flow



**Net Cash From Operating Activities (USD Mn)**

**Free Cash Flow (USD Mn)**





# Financial Ratios



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

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

# Key Financials Q3 & 9mFY19



( All Figures in USD Mn )

	Q3 FY19	Q3 FY18	CHANGE	9m FY19	9m FY18	CHANGE
Sales	1,091	1,026	6.3%	3,103	3,001	3.4%
Gross Profit	782	700	11.8%	2,239	2,124	5.4%
Gross Margin	71.7%	68.2%		72.1%	70.8%	
EBITDA	295	217	35.6%	721	584	23.5%
EBITDA Margin	27.0%	21.2%		23.2%	19.5%	
Net Profit	177	50	253.7%	291	117	149.2%
Net margin	16.2%	4.9%		9.4%	3.9%	
<b>Net Profit (Adjusted)</b>	<b>177 #</b>	<b>130</b>	<b>36.3%</b>	<b>465 #</b>	<b>344 #</b>	<b>35.3%</b>
Net margin (Adjusted)	16.2%	12.6%		15.0%	11.5%	
R&D	66	74	-10.0%	203	234	-13.0%
R&D as % of Net Sales	6.1%	7.2%		6.5%	7.8%	
EPS (Diluted) IN \$	0.1	0.0	253.7%	0.1	0.0	149.2%
EPS (Diluted) IN \$ (Adjusted)	0.1 #	0.1	36.3%	0.2 #	0.1 #	35.3%

# : Adjusted US\$ 79 Mn for Q3 FY18 & 9m FY18 provision on account of re-measurement of deferred tax assets.

# : Adjusted US\$ 148 Mn for 9m FY18 & US\$ 167.5 Mn for 9m FY19 provision related to Modafinil settlement in US.

All Financials are as per IND-AS

# Sales Breakup Q3 & 9mFY19

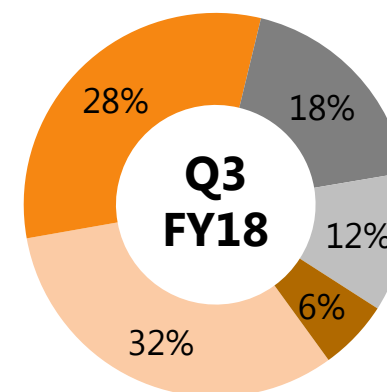
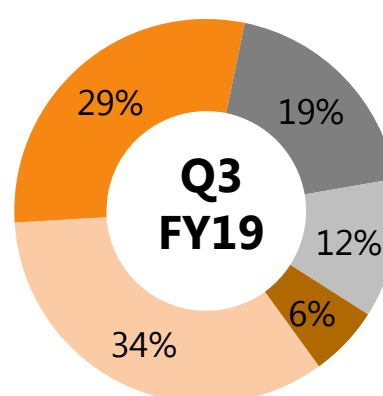


( All Figures in USD. Mn )

	Q3 FY19	Q3 FY18	CHANGE	9m FY19	9m FY18	CHANGE
<b>Formulation</b>						
India	310	322	-4%	896	941	-5%
US	362	328	10%	1,083	988	10%
Emerging Markets	203	189	8%	594	552	8%
ROW	125	120	4%	340	346	
<i>Sub-total</i>	<b>1,000</b>	<b>959</b>	<b>4%</b>	<b>2,913</b>	<b>2,827</b>	<b>3%</b>
Bulk	59	57	4%	179	165	8%
Others	4	3	24%	12	9	33%

<b>Gross Sales</b>	<b>1,063</b>	<b>1,020</b>	<b>4%</b>	<b>3,103</b>	<b>3,001</b>	<b>3%</b>
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- US Formulations
- India Branded Generics
- Emerging Markets
- Western Europe & Other Markets #
- API & Others



All Financials are as per IND-AS

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

# Key Milestones targeted for future

## US Business

- Enhance share of specialty/branded business
- Continue to focus on complex generics and high entry barrier segments
- Ensure broad product offering to customers across multiple dosage forms

## India Business

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

## EM & RoW Business

- Gain critical mass in key emerging markets
- Enhance product basket in emerging markets
- Improve profitability in developed European markets

# Key Milestones targeted for future

## Global Consumer Healthcare

- Maintain leadership in existing markets through focus on innovative solutions
- Enhance presence in high growth markets

## R&D

- Focus on developing complex products across multiple dosage forms
- Invest to further build on specialty pipeline

## Regulatory/ Quality

- Ensuring 24x7 compliance to cGMP is imperative for a global business
- Continuously enhance systems, processes, human capabilities to ensure compliance with global regulatory standards

## Financial

- Target sustainable and profitable growth
- Focus on improving ROCE

# FY19 Guidance



## Consolidated Revenues

- Low double digit growth over FY18

## R&D Investments

- Approximately 7%-7.5% of revenues to be invested in R&D

## Investing for Future

- Invest in R&D and in building the specialty business

# Sun Pharma at a glance



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

US	<ul style="list-style-type: none"><li>• Ranked 6<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Amongst the largest Indian Pharma Company in Emerging Markets</li></ul>
Europe	<ul style="list-style-type: none"><li>• Expanding presence in Europe</li></ul>
Manufacturing Footprint	<ul style="list-style-type: none"><li>• 44 manufacturing sites across the world</li></ul>
Market Presence	<ul style="list-style-type: none"><li>• Presence in more than 100 countries across branded and generic markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>
Employees	<ul style="list-style-type: none"><li>• 32,000+ global employee base</li></ul>
Quality Compliance	<ul style="list-style-type: none"><li>• Multiple manufacturing facilities approved by various regulatory authorities across the world including USFDA</li></ul>
R&D and Manufacturing	<ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul>
Addressable Segments	<ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>

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



# Thank You!

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