



# Creating Lasting Value

Investor Presentation – November 2016



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

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# Sun Pharma at a glance

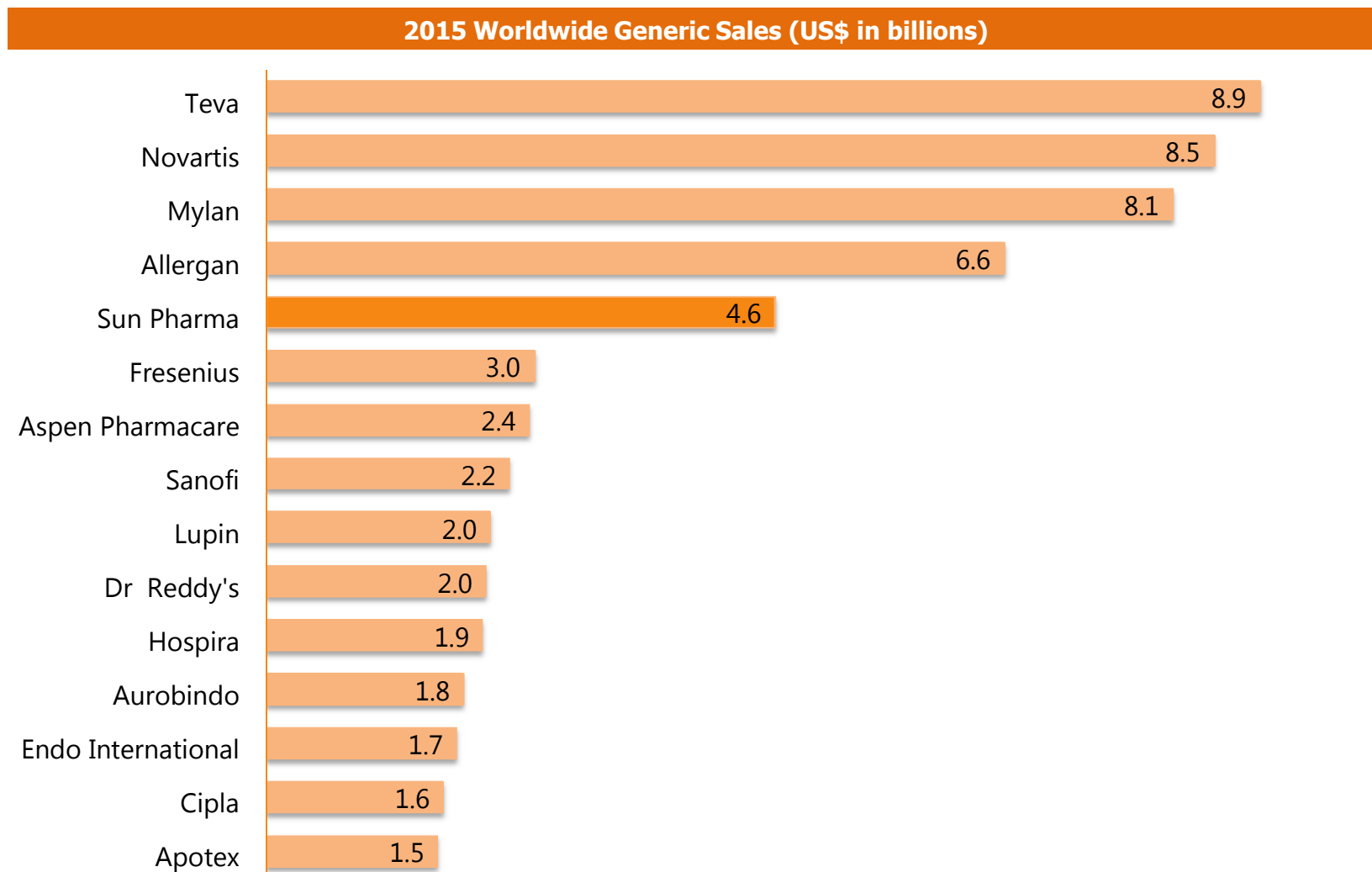


## 5<sup>th</sup> Largest Global Specialty Generic Company

|                         |   |
|-------------------------|---|
| US                      | <ul style="list-style-type: none"><li>• Ranked 5<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>  |
| India                   | <ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>   |
| Emerging Markets        | <ul style="list-style-type: none"><li>• 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>• 47 manufacturing sites across the world</li></ul>   |
| Market Presence         | <ul style="list-style-type: none"><li>• Presence in more than 150 countries across branded and generic markets</li></ul>                                      |
| Product Portfolio       | <ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>  |
| Employees               | <ul style="list-style-type: none"><li>• 30,000+ global employee base</li></ul>  |
| Quality Compliance      | <ul style="list-style-type: none"><li>• Multiple facilities approved by various regulatory authorities across the world including USFDA</li></ul>             |
| R&D and Manufacturing   | <ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul> |
| Addressable Segments    | <ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>                            |

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

# World's 5th Largest Specialty Generic Pharma Co

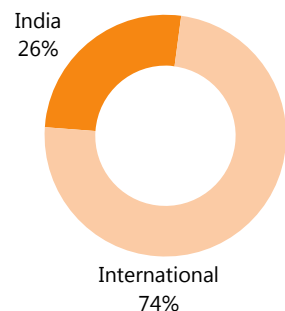


Source: Evaluate Pharma, Company filings

# Sun Pharma today

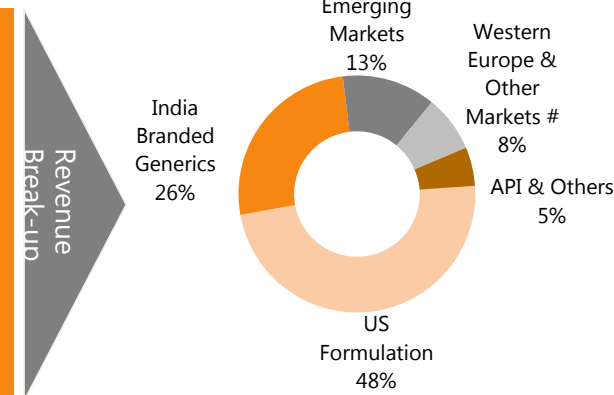
## US Formulations

- 5<sup>th</sup> largest generics company in US\* with one of the largest ANDAs pipeline (144 ANDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 423 approved products
- FY16 sales: US\$ 2,066 mn <sup>(2)</sup>



Geographical sales split

- Market cap: US\$ 27 bn <sup>(1)</sup>
- Gross Sales: US\$ 4,278 mn <sup>(2)</sup>
- EBITDA: US\$ 1,192 (28% margin) <sup>(2)</sup>
- R&D Investment: 8.3% of Net Sales
- Globalized supply chain
- 55% owned by promoter group
- Strong balance sheet, low debt
- Strong product pipeline



## India Branded Generics

- No.1 ranked with 12 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY16 sales: US\$ 1,109 mn <sup>(2)</sup>

## Emerging Markets

- Presence in over 100 countries across Africa, Americas, Asia and Eastern & Central Europe
- Key focus markets – Brazil, Mexico, Russia, Romania, South Africa, and complementary & affiliated markets
- FY16 sales: US\$ 548 mn <sup>(2)</sup>

## Western Europe, Canada, ANZ & others

- Presence across majority of markets in Western Europe, Canada and A&NZ
- Product portfolio includes differentiated offerings for hospitals, injectables and generics for retail market
- FY16 sales: US\$ 330 mn <sup>(2)</sup>

Note:

(1) As of Oct, 30, 2016 using spot exchange rate of INR /USD = 66.85

(2) Using average exchange rate for FY16 of INR /USD = 65.43

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

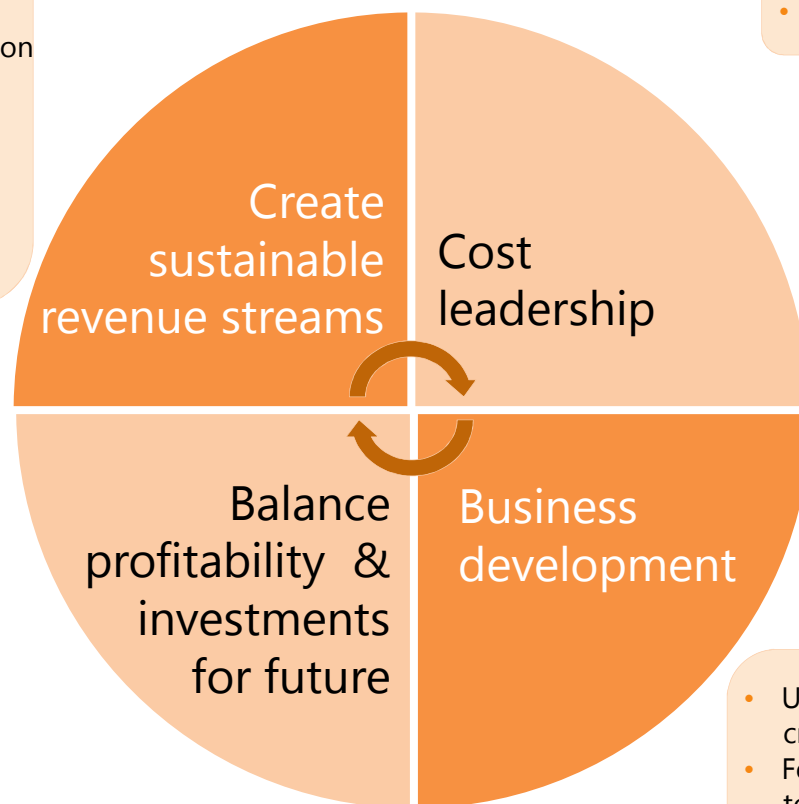
All sales numbers in US\$ for 12 months ended March 31, 2016.

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

# Driving Long Term Growth

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

- Vertically integrated operations
- Optimize operational costs



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

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

# Our Specialty Initiatives

## Ramping up Specialty Pipeline

- In-licensed Tildrakizumab (a monoclonal antibody targeting IL-23) from MSD for treating chronic plaque psoriasis- Positive results from Phase-3 clinical trials declared in May'16
- Acquired Dusa Pharma in US – Access to patented drug-device combination useful for treating Actinic Keratosis, a dermatology ailment
- Acquired InSite Vision - Focuses on developing new specialty ophthalmic products, has three late stage programs.
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases

## Branded Businesses in US, India and RoW

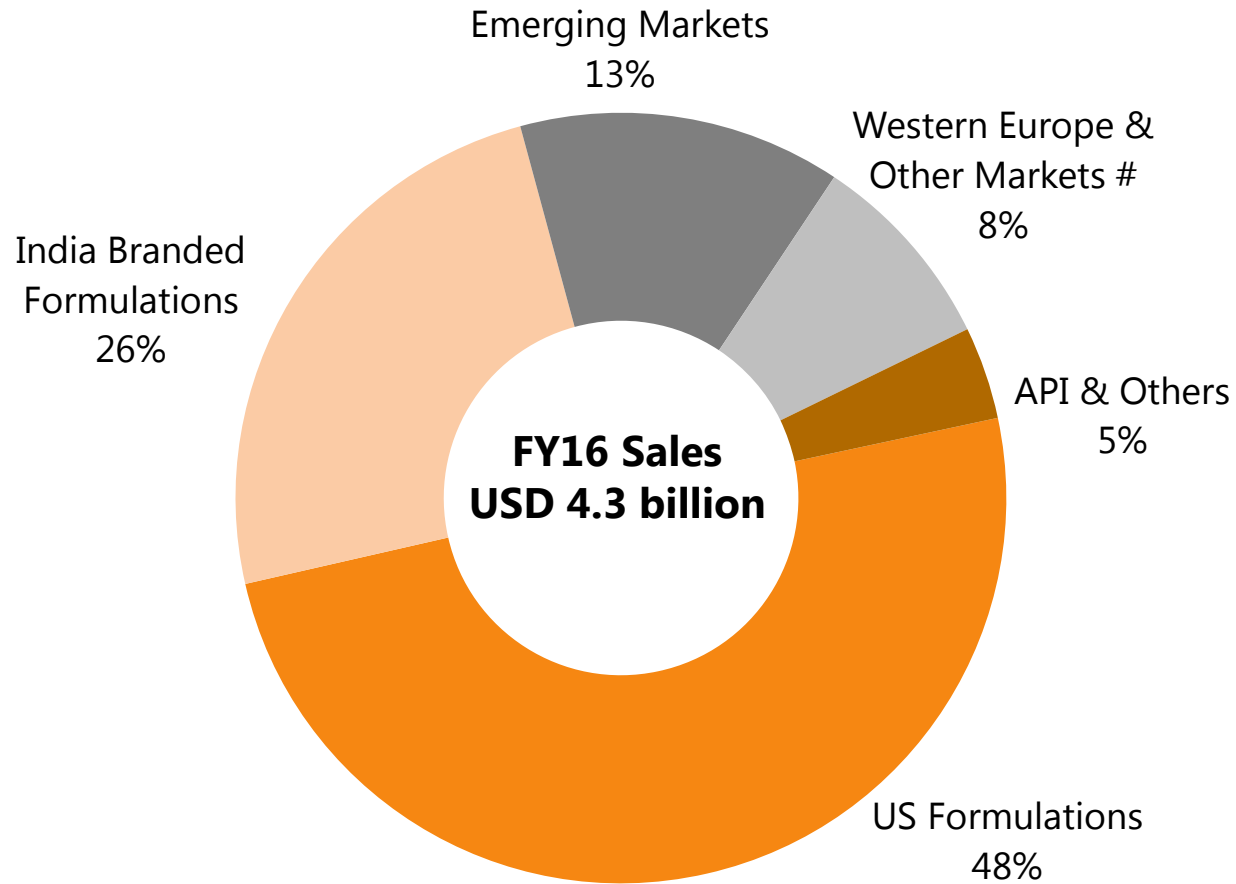
- Ranked no. 3 branded dermatology company in the US market
- Market leader in specialty chronic segments in India
- Amongst the largest Indian companies in branded emerging markets

## Complex Generics in US

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



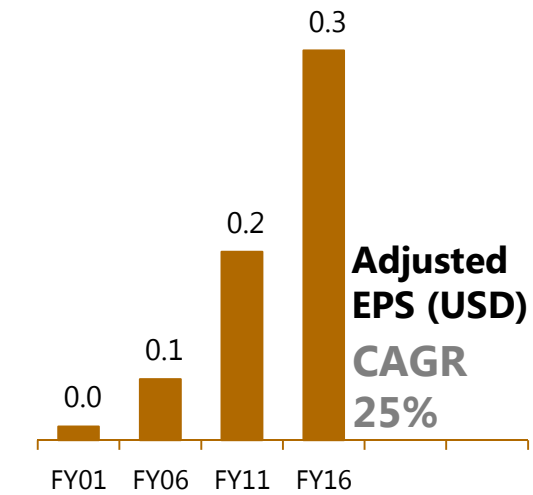
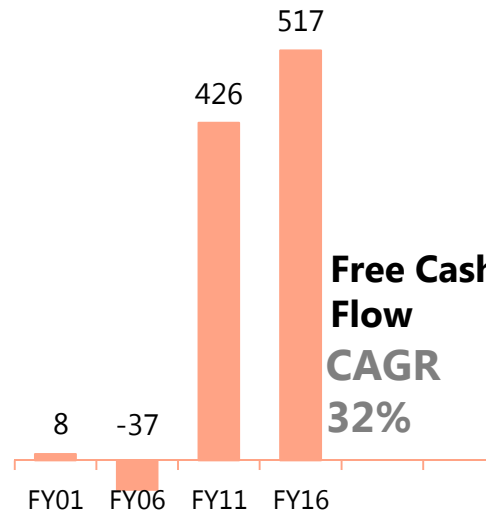
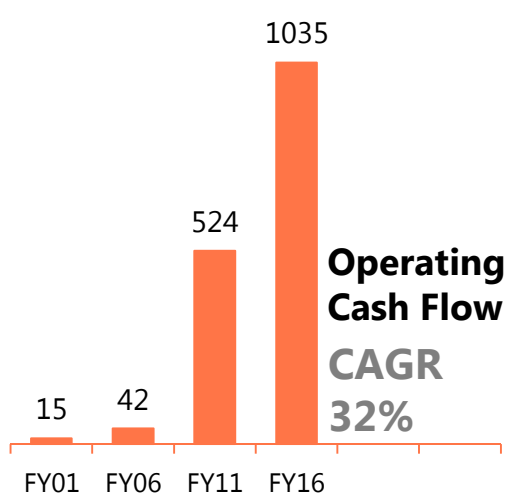
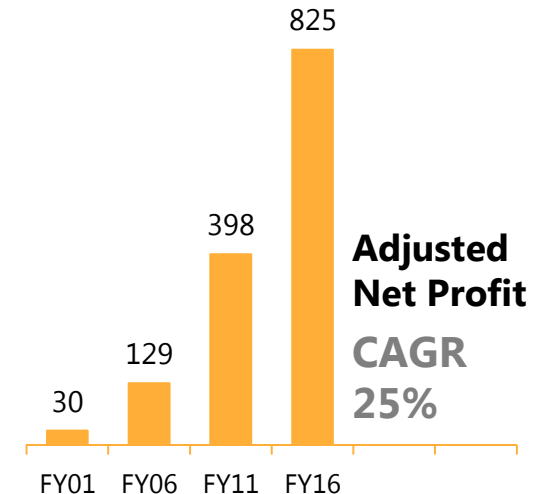
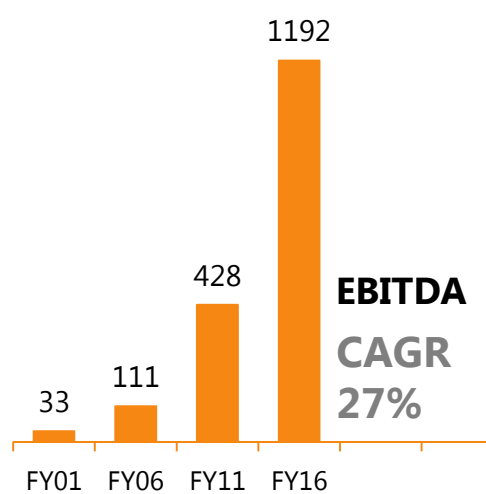
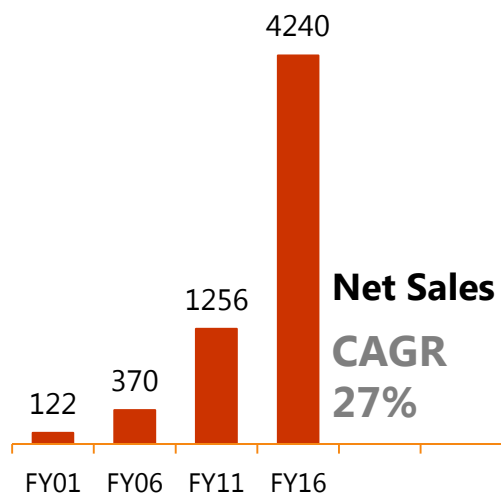
# Highly Diversified Revenue Base



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

# Impressive Track Record of Growth

(All Figures in USD Million)

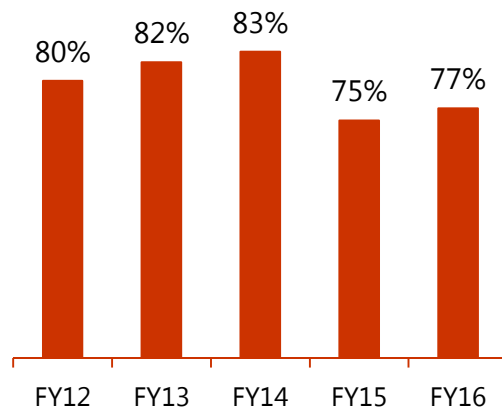


FY15 & FY16 numbers include the impact of Ranbaxy merger

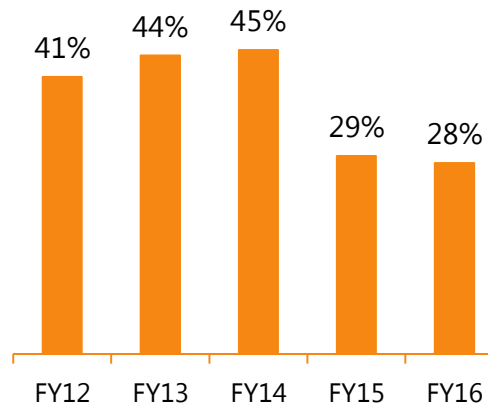
# Consistent profitability and returns



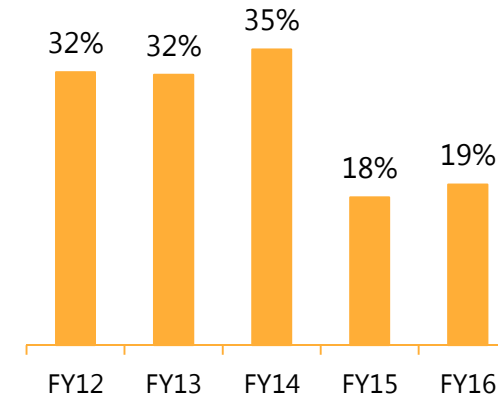
### Gross Margin #



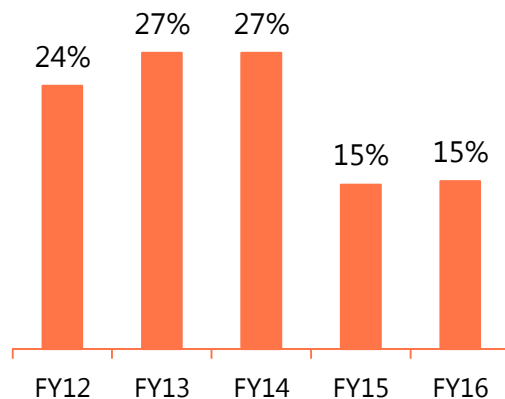
### EBITDA Margin



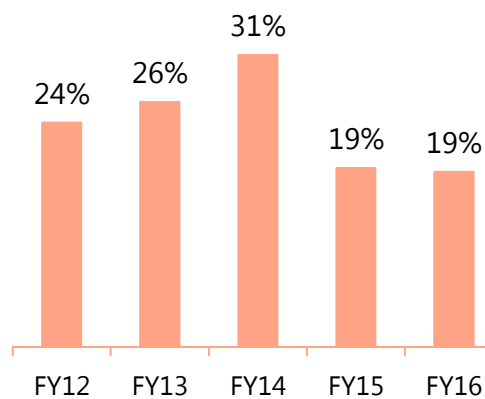
### Net Margin (adjusted)



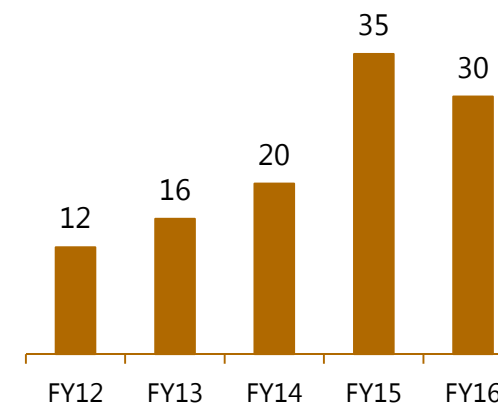
### ROCE



### ROE



### Market Cap (USD Bn)



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

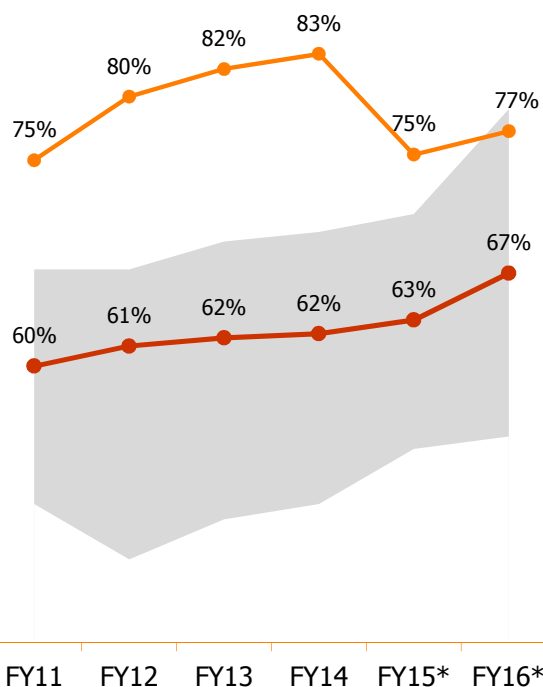
FY15 & FY16 numbers include the impact of Ranbaxy merger

# Sustained Profitability Vs. Peers

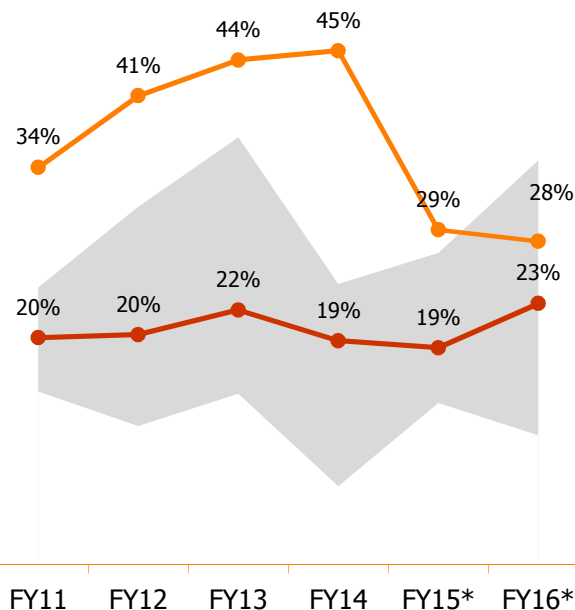
Superior business model

Margins consistently higher than peers#

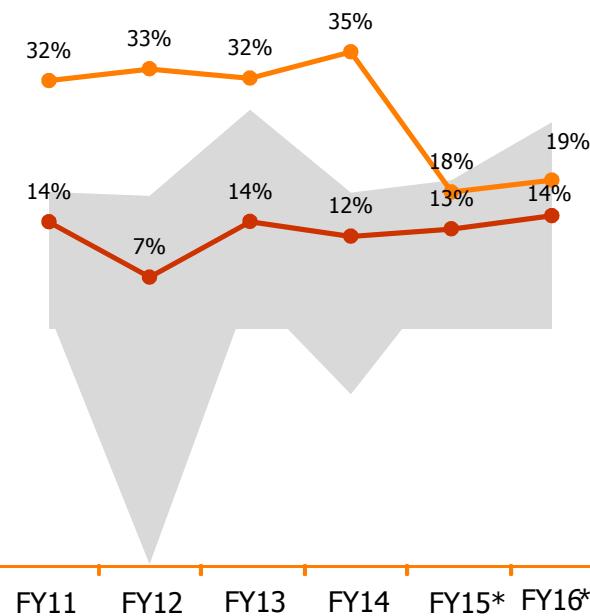
## Gross Margin



## EBITDA Margin



## Net Margin



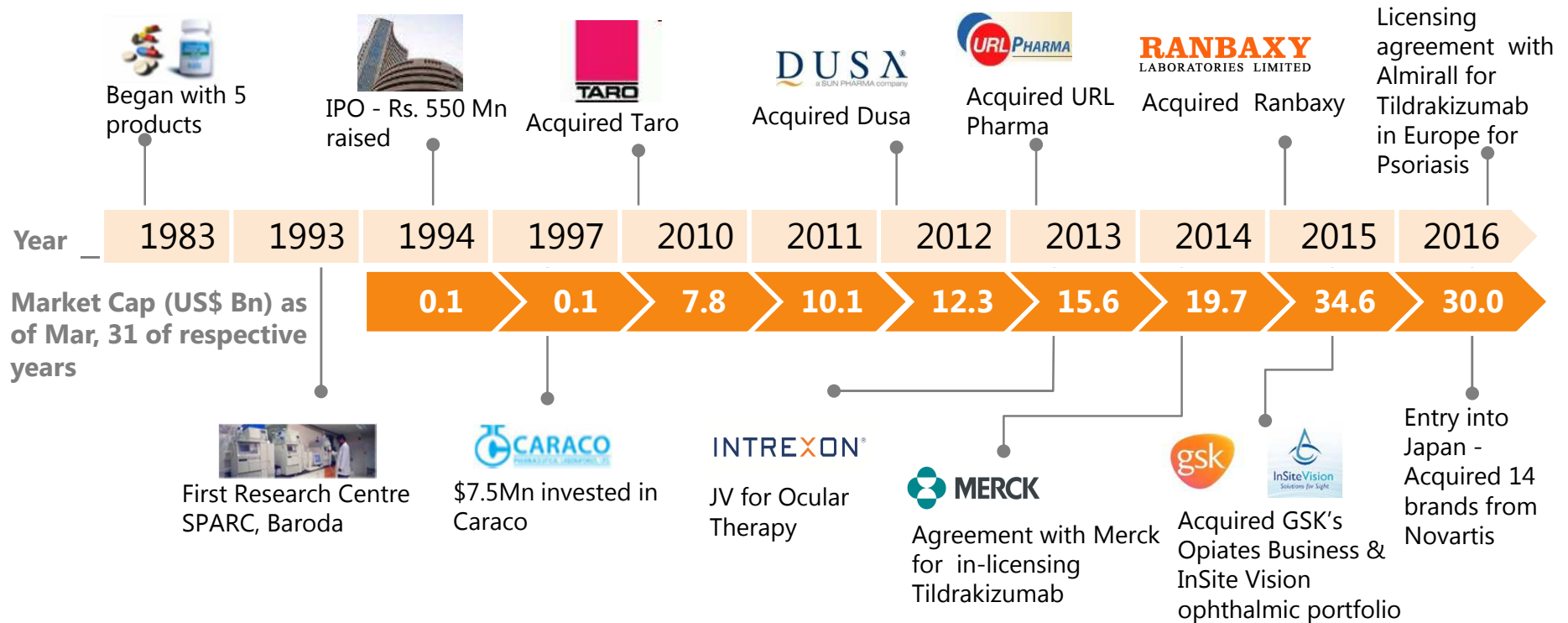
Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

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

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

\* FY15 & FY16 numbers include the impact of Ranbaxy merger

# Creating Value, Continuously...



## Sun Pharma Today



30,000+ Employees



Invested USD 1.5 billion in R&D till date



Part of NSE Nifty & BSE Sensex in India



47 Manufacturing facilities in 6 Continents



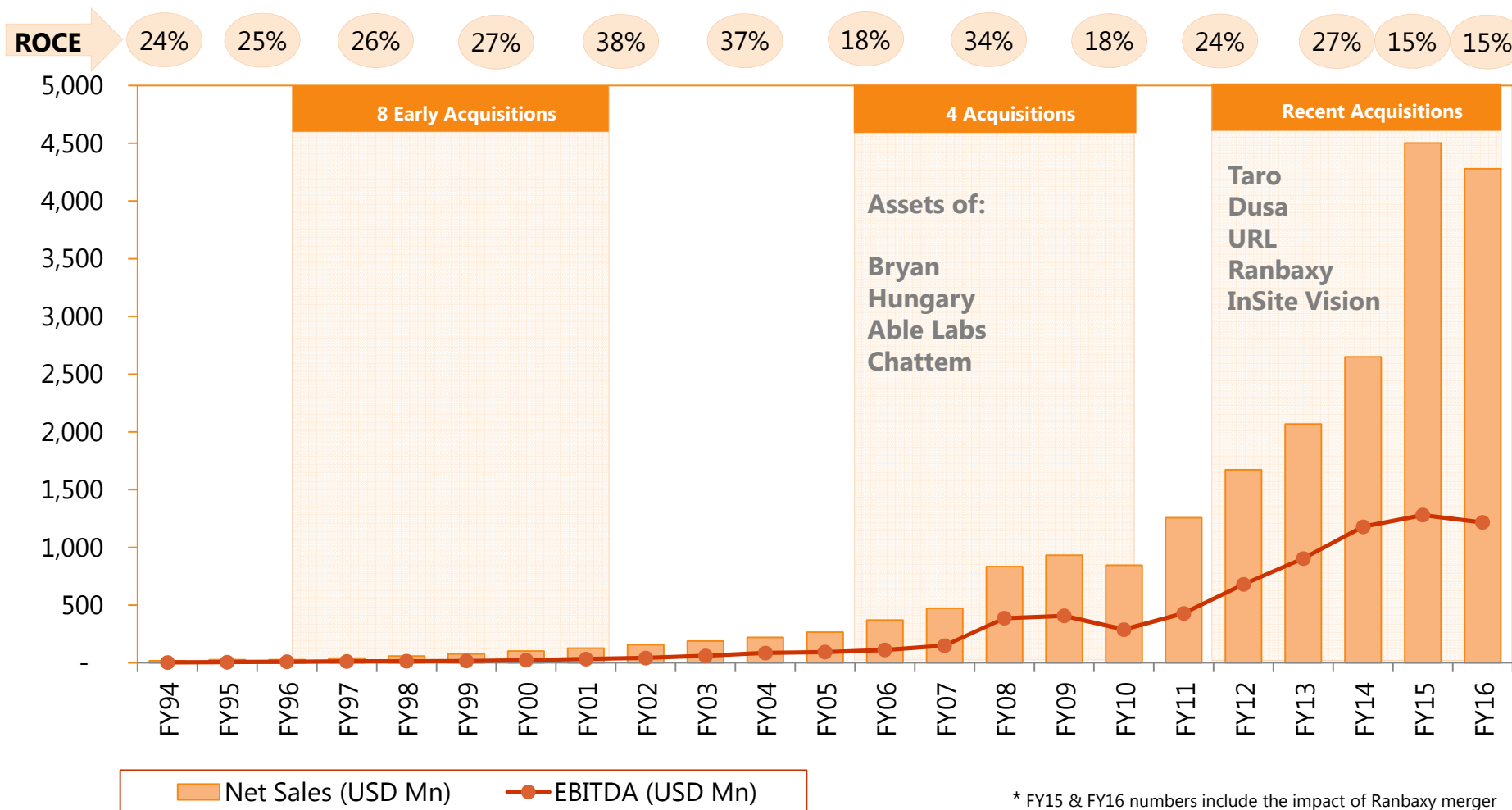
74% of sales from international markets

# Key Deals & Rationale

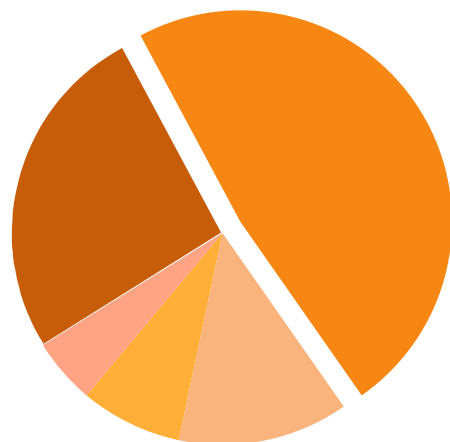


| Year | Deals  | Country                    | Rationale  |
|------|--|----------------------------|--|
| 2016 | Licensing agreement with Almirall for Tildrakizumab for Psoriasis            | Europe                     | Strengthening the distribution of Tildrakizumab in Europe  |
| 2016 | Acquired 14 brands from Novartis   | Japan                      | Entry into Japan   |
| 2016 | Distribution agreement with AstraZeneca                                      | India                      | Distribution services agreement in India for brand "Oxra" & "Oxramet"® (brands of dipagliflozin, used for diabetes treatment)          |
| 2015 | Acquired InSite Vision Inc.  | US                         | Strengthens branded ophthalmic portfolio in U.S.   |
| 2015 | Acquisition of GSK's Opiates Business  | Global Markets             | Vertical Integration for controlled substances business  |
| 2015 | Distribution agreement with AstraZeneca                                      | India                      | Distribution services agreement in India for brand "Axcer"® (brand of ticagrelor, used for the treatment of acute coronary syndrome)   |
| 2015 | Sun Pharma – Ranbaxy Merger  | Global Markets             | 5 <sup>th</sup> largest Global Specialty Generic Pharma Company, No.1 Pharma Company in India & Strong positioning in Emerging Markets |
| 2014 | In-licensing agreement with Merck for Tildrakizumab a biologic for psoriasis | Global Markets             | Strengthening the specialty product pipeline   |
| 2014 | Acquired Pharmalucence   | US                         | Sterile injectable capacity in the US, supported by strong R&D capabilities  |
| 2013 | Formation of Sun-Intrexon JV   | Global Markets             | JV for ocular therapies  |
| 2013 | Acquired URL's generic business  | US                         | Adds 107 products to US portfolio  |
| 2012 | Acquired DUSA Pharma, Inc.   | US                         | Access to branded derma product  |
| 2010 | Acquired Taro Pharmaceutical Industries Ltd.                                 | Israel                     | Dermatology & Topical Product Manufacturing Plant at Israel & Canada   |
| 2005 | Assets of Able Labs<br>Formulation plant in Bryan                            | New Jersey, US<br>Ohio, US | Dosage form plant (NJ, US) and IP<br>Dosage form plant (Ohio, US)  |
| 1997 | Acquired Caraco  | Detroit, US                | Entry into US Market   |

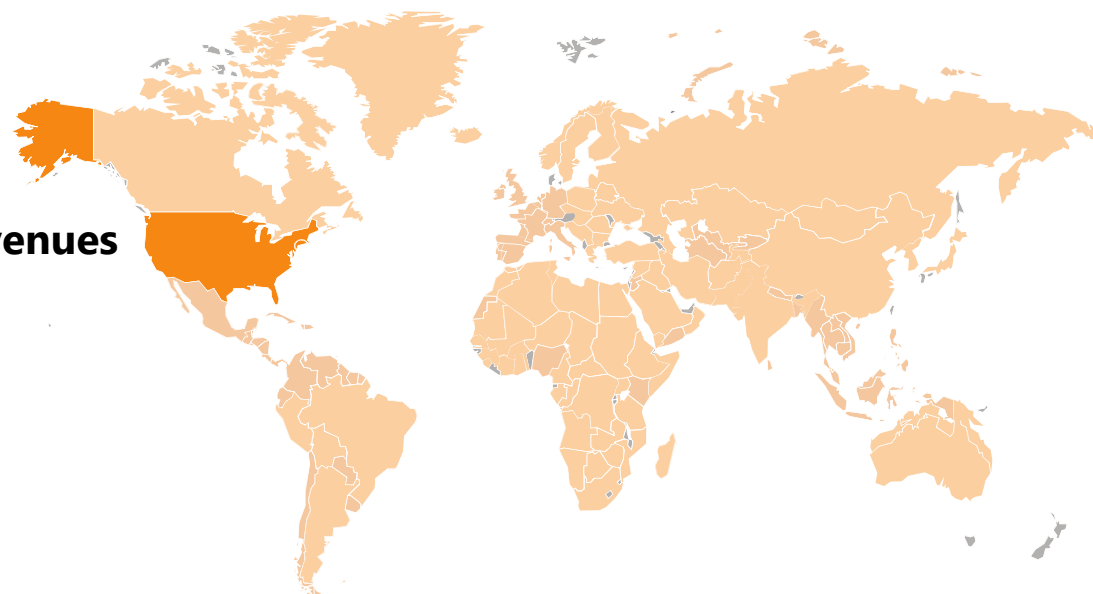
# Successful track record of turning around acquisitions



# US Business



**48% of Revenues**





# US Business at a glance

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

## Dermatology Segment

- Largest generic dermatology company and 3rd largest branded dermatology company in the US

## Comprehensive Portfolio

- Wide basket of 567 ANDAs & 41 NDAs filed and 423 ANDAs & 37 NDAs approved across multiple therapies

## Robust Pipeline

- 144 ANDAs & 4 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

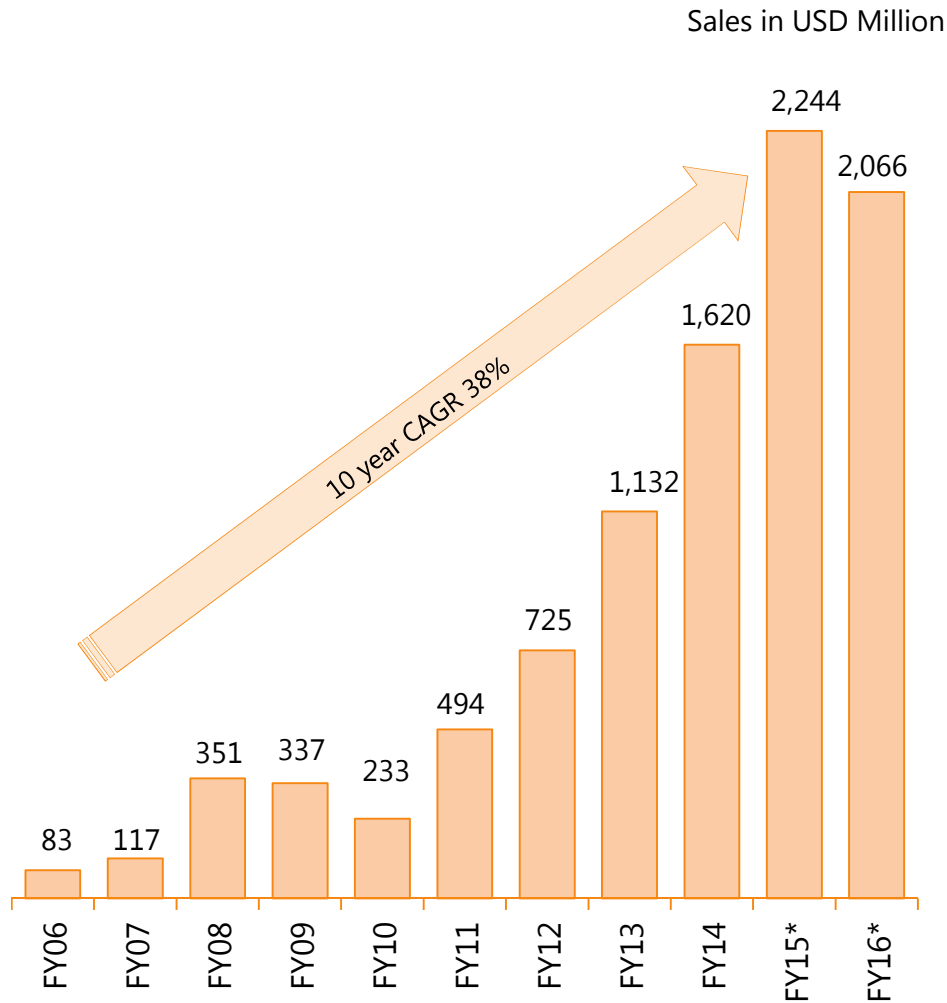
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

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

# US Business - Significant Ramp-up in Sales



FY05 – FY14 numbers exclude Ranbaxy financials

\* FY15 & FY16 numbers include the impact of Ranbaxy merger

## Key Milestones in US

FY98

- Entry in US through Caraco acquisition

FY98-FY10

- Ramp-up in US business

FY08 onwards

- Launched many complex generics & few FTFs

FY10

- Acquired Taro Pharma – Entry into dermatology market

FY13

- Acquired DUSA - Entry in branded specialty market

FY13

- Acquired URL's generic business

FY14

- Acquired Pharmalucence -access to sterile injectable capacity

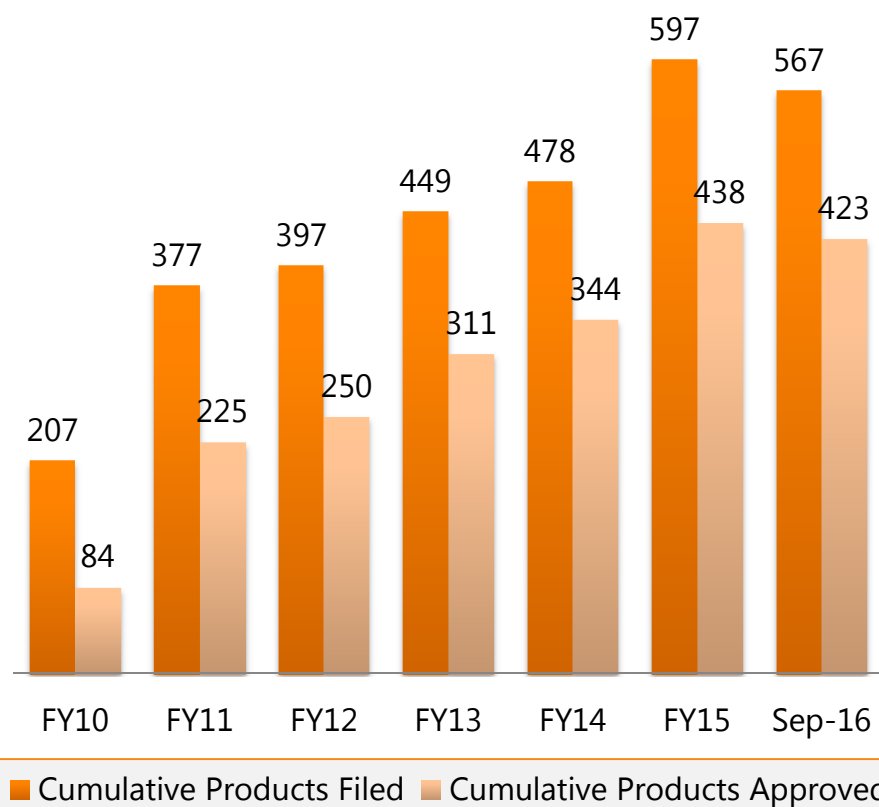
FY16

- Acquired InSite Vision – Strengthen ophthalmic portfolio

# ANDA Pipeline - Significant ramp up

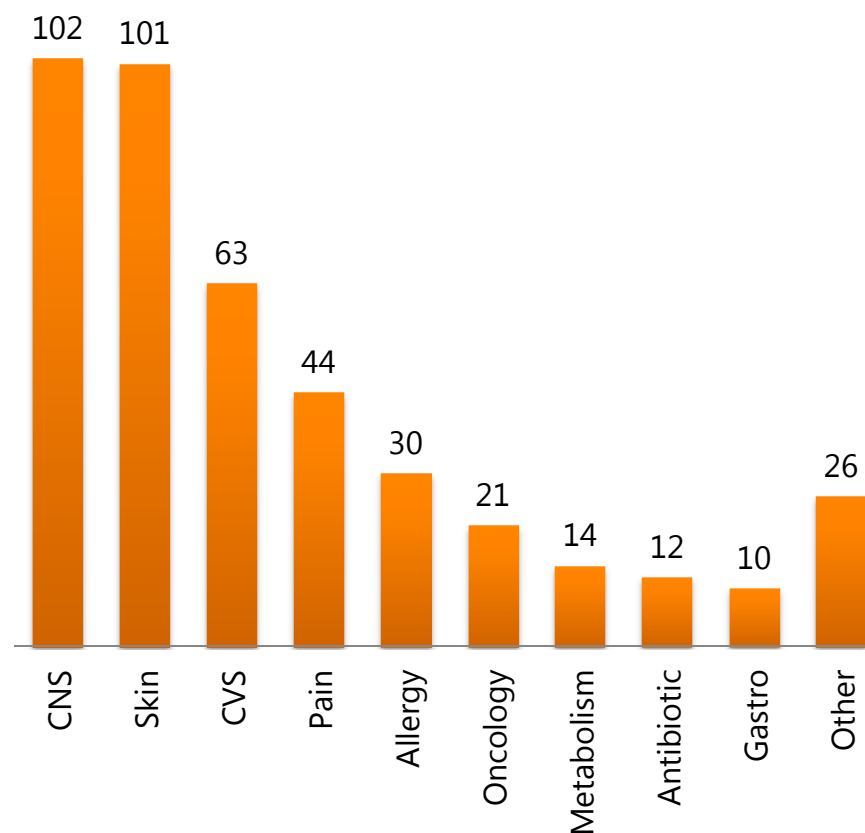


## ANDAs Filed and Approved



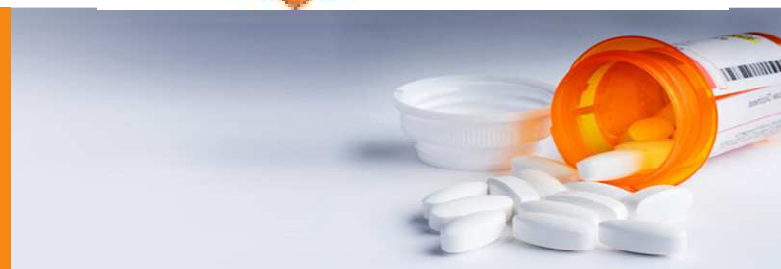
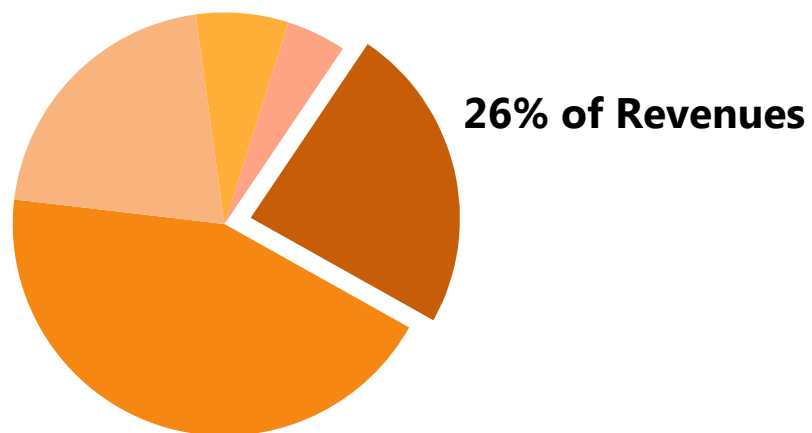
(Cumulative no's for FY16 are lower than FY15 due to Bryan facility divestment. Taro numbers added since Mar 2011, URL numbers added since Mar 2013 & Ranbaxy numbers added for March'15)

## 423 ANDA Approvals by Therapeutic Area



(As of Sept'16)

# India Branded Generic Business



# India Business at a glance

## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.7% market share
- Growth of 11% inline with average industry growth of 11%

### Prescription Ranking##

- No. 1 ranked by prescriptions with 12 different classes of doctors

### Chronic Segment

- Market leader in the chronic segment

### Acute Segment

- Strong positioning in the acute segment

### Product Offering

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

### Strong Brand Positioning\*\*

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

### De-risked Growth\*\*

- Top 10 Brands contribute approx. 18% of India revenues
- Growth driven by a basket of brands – low product concentration

### Extensive Sales Force

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

\*\* - As per AIOCD AWACS data for 12 months ended Sept'16

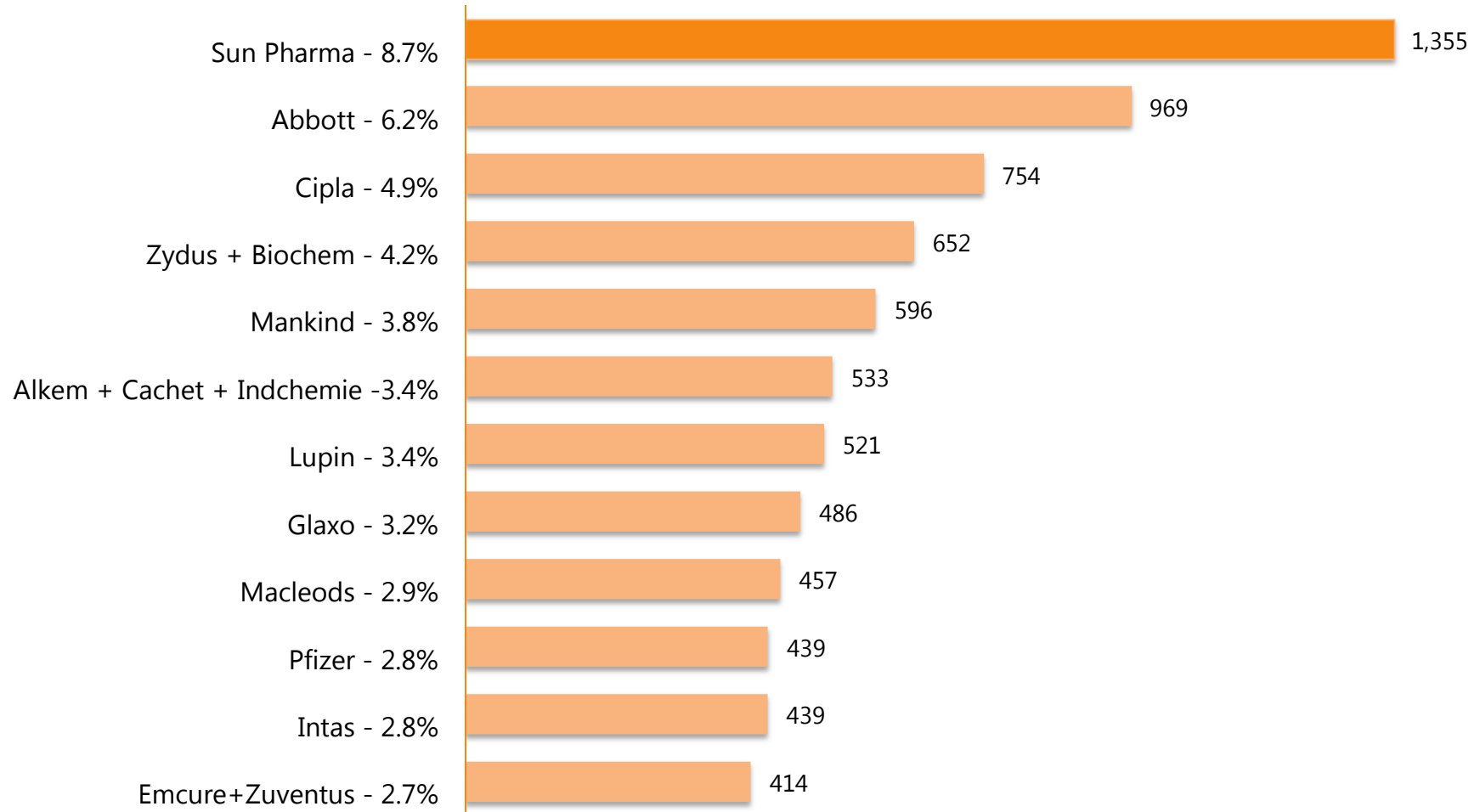
## - As per SMSRC data for Sept'16

\* Does not exclude overlaps

# Largest Pharma Company in India



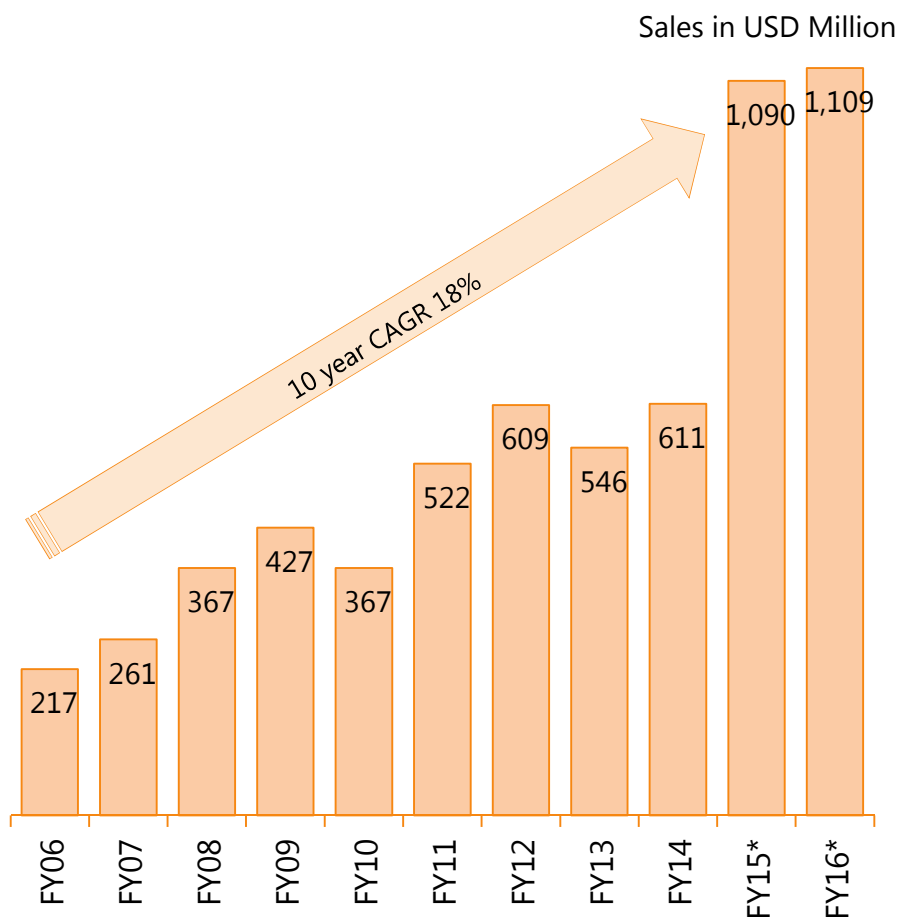
(Market Share) Last 12 Months of Branded Generic Sales in India as of June 2016 (US\$ in mn)



Source: AIOCD AWACS MAT Sept 2016

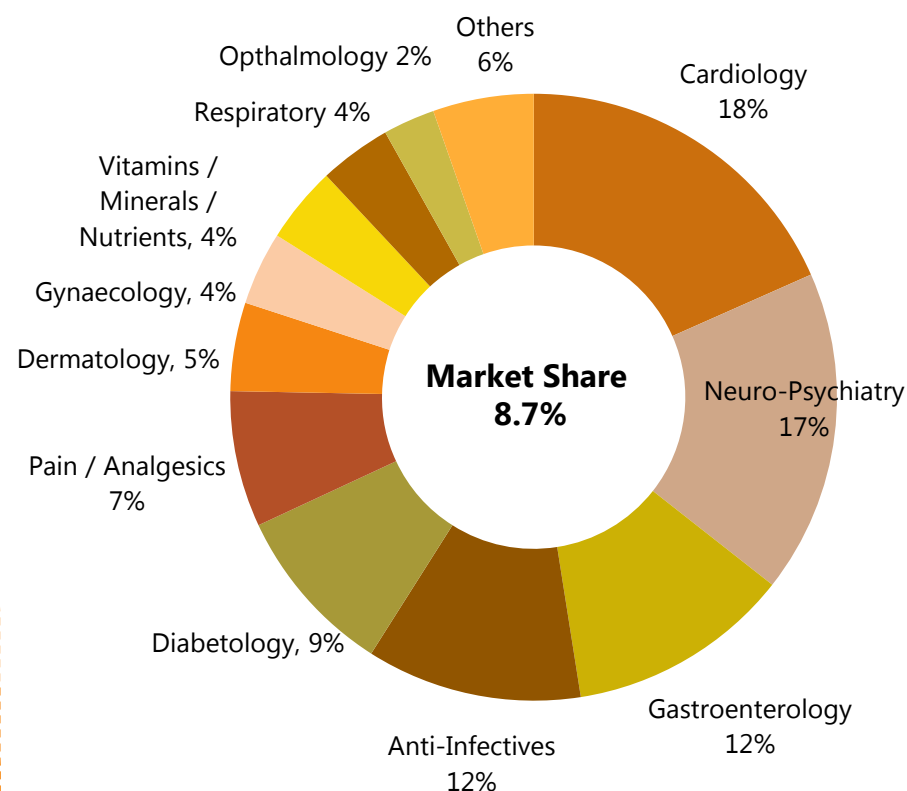
# India Business – Sales ramp-up

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



FY05 – FY14 numbers exclude Ranbaxy financials  
\* FY15 & FY16 numbers include the impact of Ranbaxy merger

## Therapeutic Revenue Break-up



As per AIOCD AWACS – Sept '16

# Strong Customer Focus Drives Market Share Gains



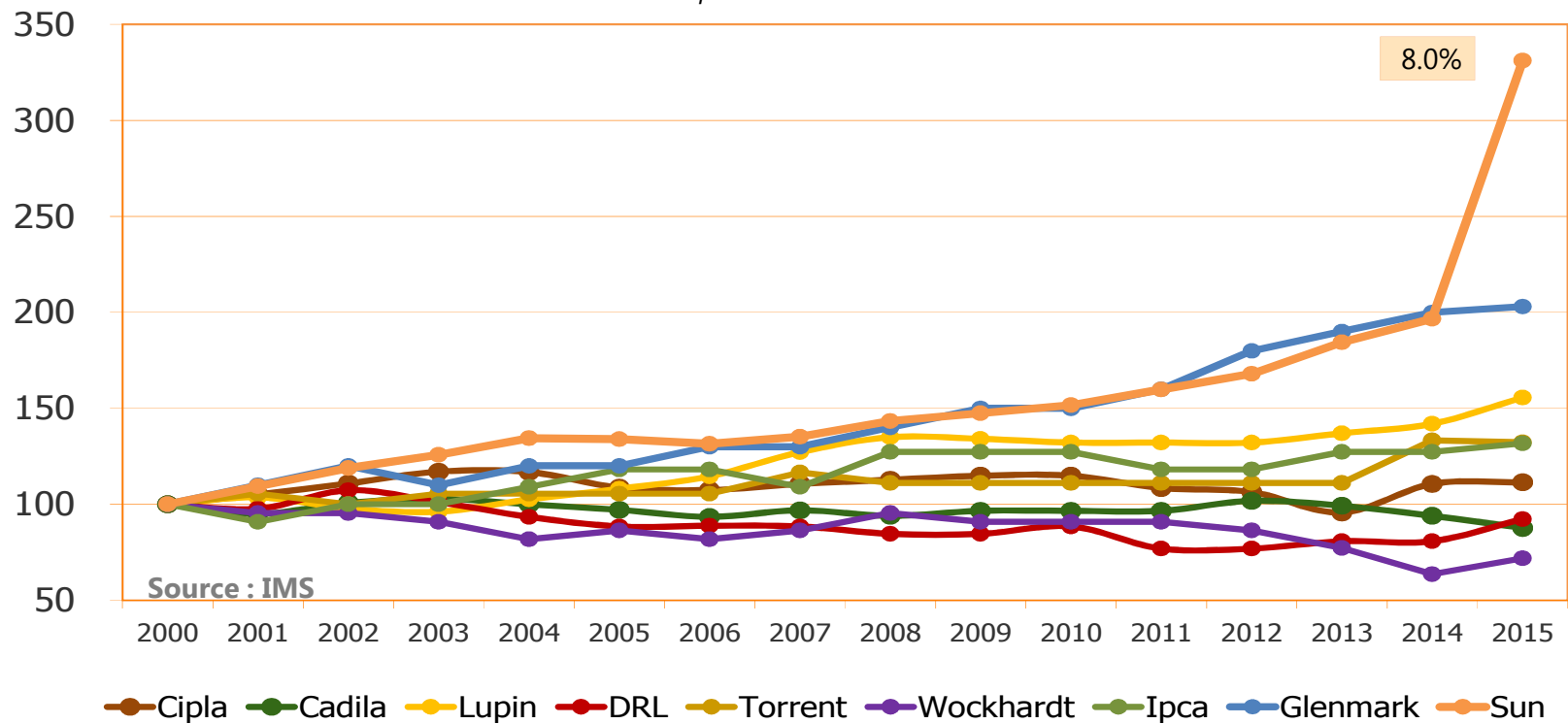
## Therapy focused marketing

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

## Strong increase in market share

- Sun pharma market share has consistently increased from 2.1% in 2000 to 8.0% in 2016 (IMS Data for 'Sept'16)

\* Does not exclude overlaps





# Leadership in key therapeutic areas\*

Number 1 Ranking with 12 Doctor Categories\*

| Specialist            | Prescription Ranking |          |
|-----------------------|----------------------|----------|
|                       | June '15             | June '16 |
| Psychiatrists         | 1                    | 1        |
| Neurologists          | 1                    | 1        |
| Cardiologists         | 1                    | 1        |
| Orthopaedic           | 1                    | 1        |
| Ophthalmologists      | 1                    | 1        |
| Gastroenterologists   | 1                    | 1        |
| Nephrologists         | 1                    | 1        |
| Diabetologists        | 1                    | 1        |
| Consulting Physicians | 1                    | 1        |
| Dermatologists        | 1                    | 1        |
| Urologists            | 1                    | 1        |
| Oncologists           | 1                    | 1        |
| Chest Physicians      | 1                    | 2        |

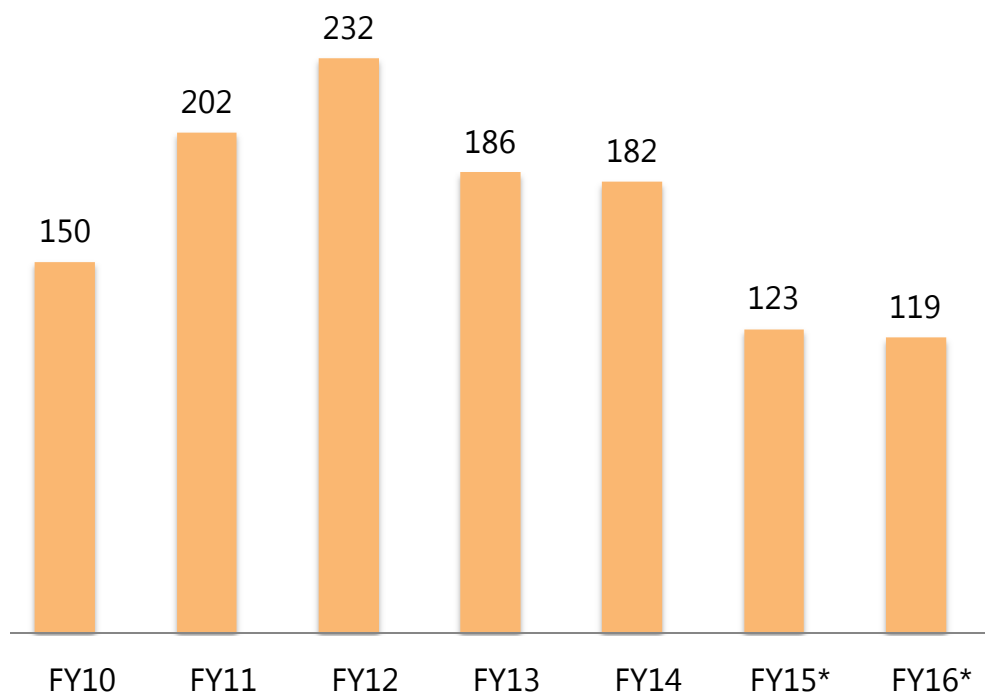
*\*Ranks based on prescription share*

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

# Best-in-class field force productivity

## Sales Per Representative (USD '000)

FY10 – FY14 numbers exclude Ranbaxy  
 \* FY15 & FY16 numbers include the impact of Ranbaxy merger



■ Sales Per Representative (USD '000)

### Field Force Productivity

Sun  
Pharma

• USD 119,323 / MR

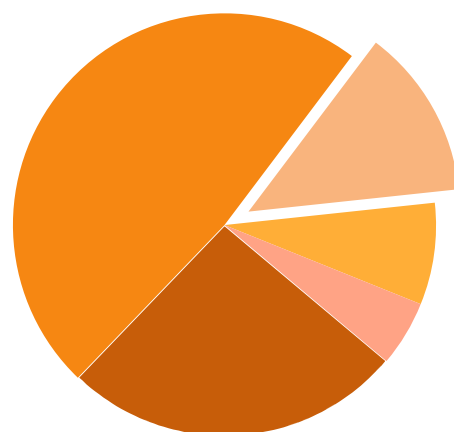
Industry  
Average\*

• USD 89,972 / MR

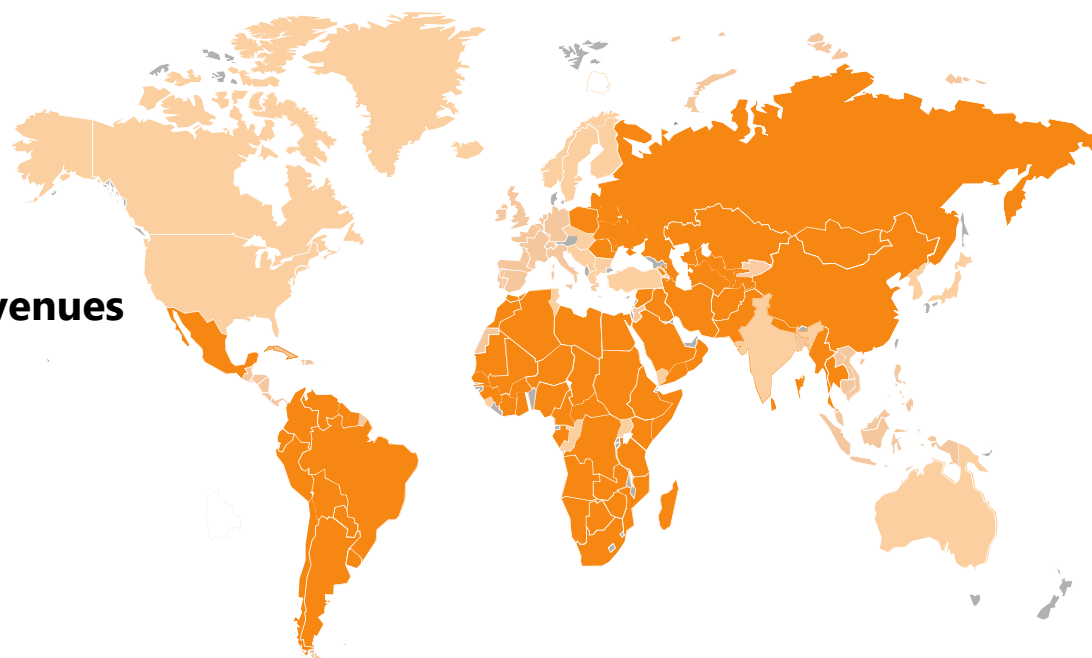
\* Based on brokerage reports

- 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



**13% 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

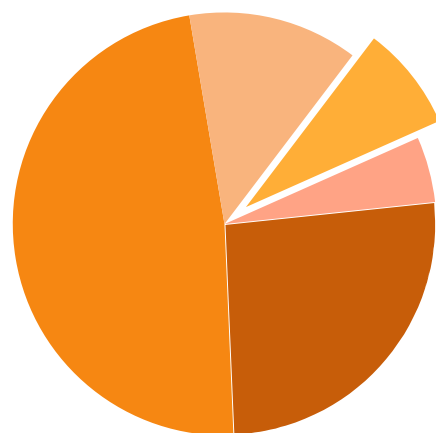
### Opportunity

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

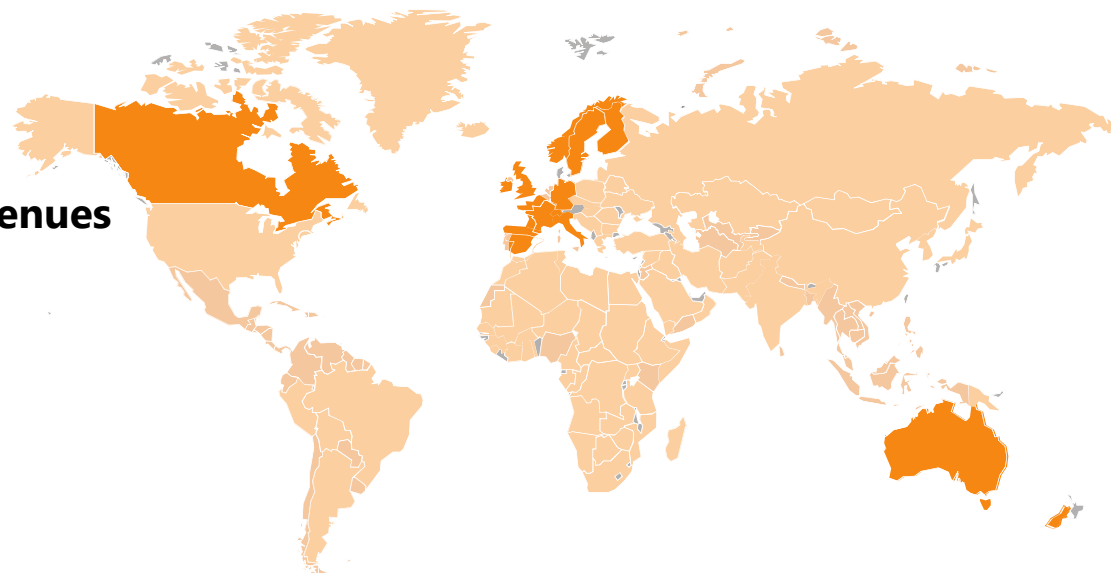
### Local Manufacturing

- Across 10 countries

# Western Europe, Canada, ANZ & Other Markets



**8% of Revenues**



# Western Europe & Other Markets at a glance



## Amongst the leading Indian Companies

### Market Presence

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

### Product Portfolio

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

### Focus

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

### Sales Force

- Distribution led model

### Local Manufacturing

- At Canada, Hungary & Ireland + Servicing from India facilities

### Japan Entry

- Acquired 14 established prescription brands from Novartis in March 2016

# 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

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

### Strong Brand Equity

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

### Sales Force

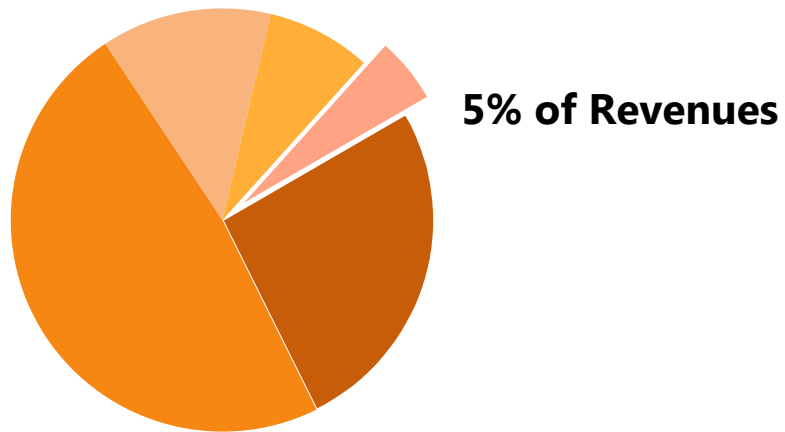
- Promoted through dedicated sales force in each market

### Strong Positioning

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



# Active Pharmaceutical Ingredients (API) Business



# API Business



## Backward Integration – Strategic Importance

### Strategic Importance

- Backward integration provides cost competitiveness and supply reliability

### Customers

- Large generic and innovator companies

### Product Portfolio

- Approximately 300 APIs

### Pipeline Development

- Approx. 20 APIs scaled up annually

### Regulatory approvals

- 305 DMF/CEP approvals to date
- 434 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

# Research & Development



# Research & Development



Cumulative R&D Spend of over USD 1.5 billion till date

## R&D Spend

- R&D spend at 8.3% of Net Sales for FY16\*
- Strong cash flows & large scale to support R&D investments

## Capabilities

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

## Organization

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

## IPR Support

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

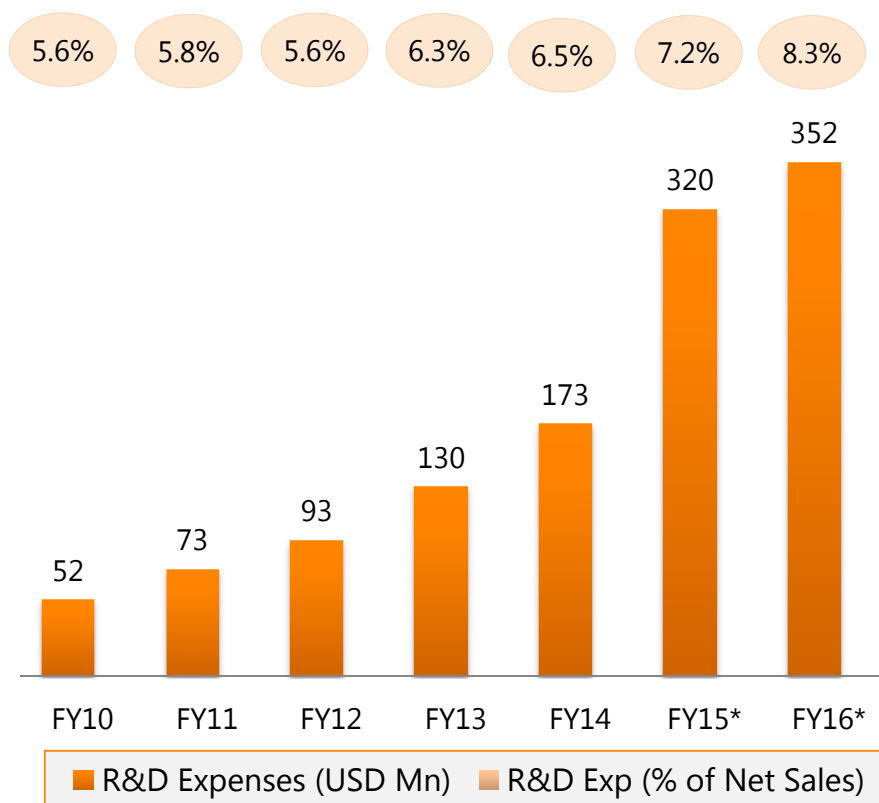
## Focus

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

\* FY15 & FY16 numbers include the impact of Ranbaxy merger

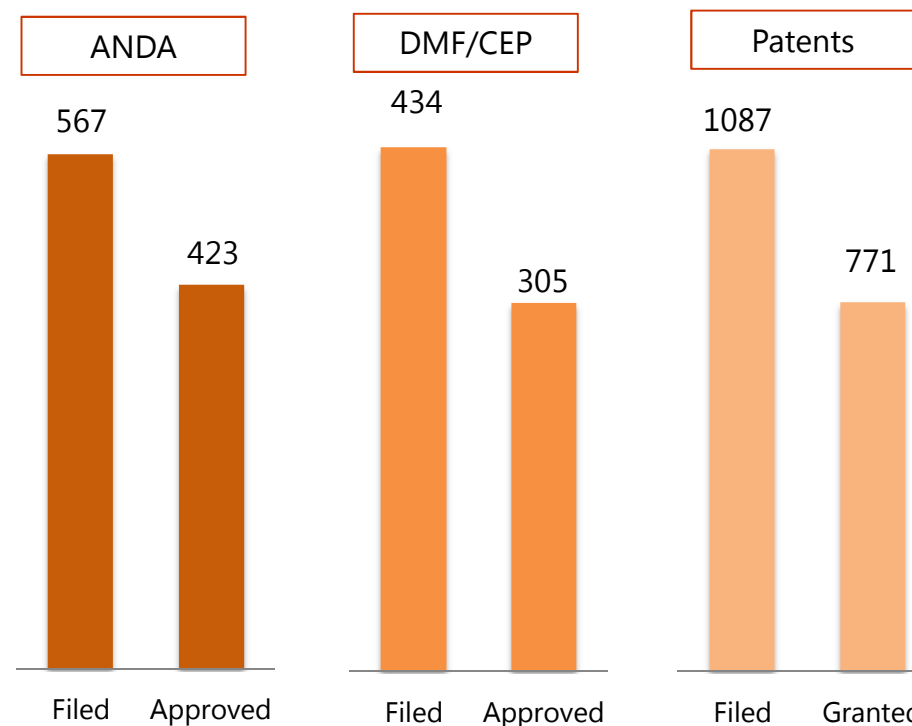
# R&D Investments

## R&D Expenditure



FY09 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 & FY16 numbers include the impact of Ranbaxy merger

## Filings and Approvals



As of Sept 30, 2016



# Global Manufacturing Presence



# Global Manufacturing Presence

## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 47 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

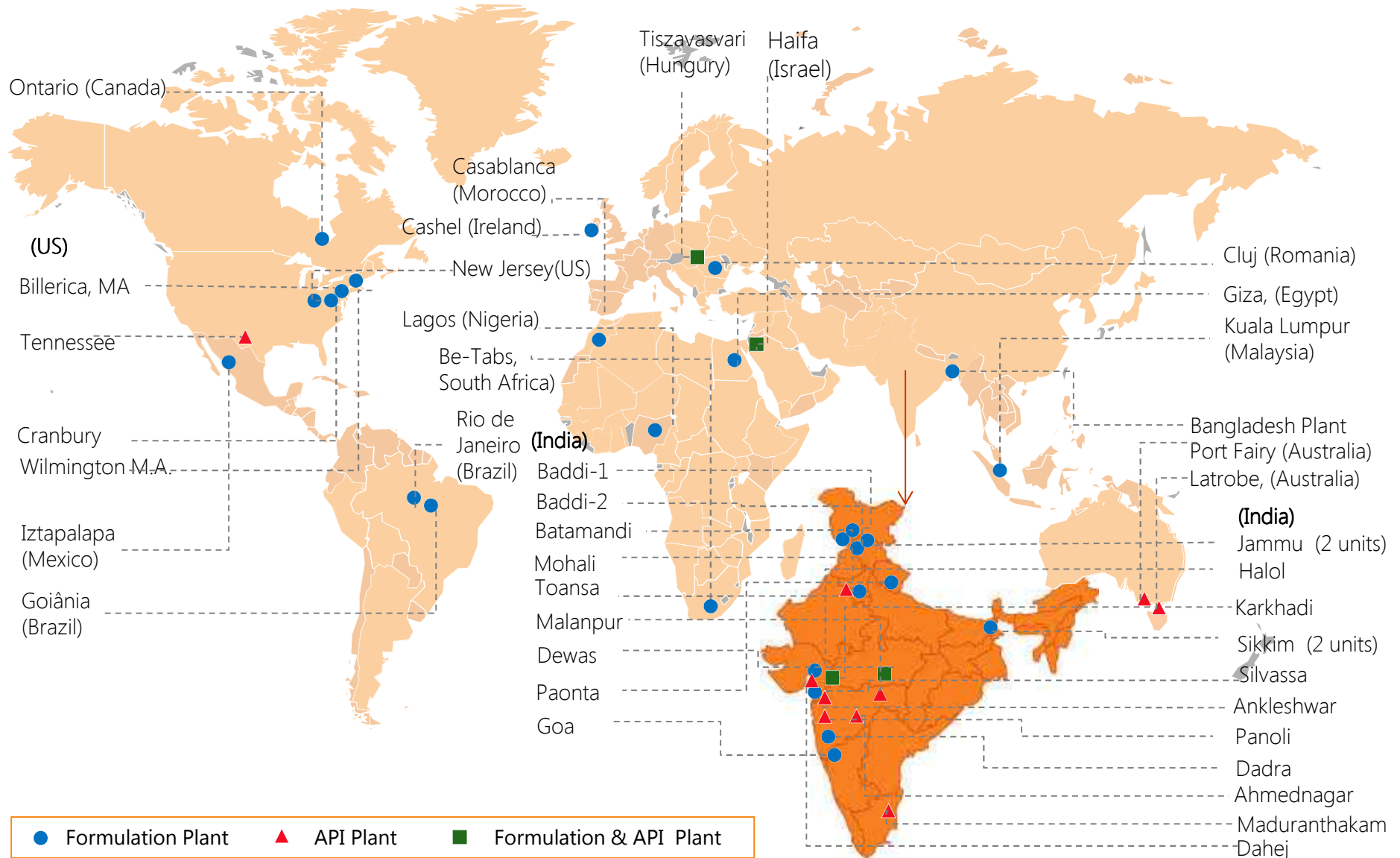
### High Quality

- 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

## 33 Finished dosage manufacturing sites

- India : 15, US : 4
- Canada, Brazil, Mexico, Hungary , Israel, Bangladesh, Ireland, South Africa, Malaysia, Romania, Brazil, Morocco, Egypt and Nigeria : 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 Directors & Members of Audit Committee



### Ashwin Dani

Non-Executive Vice Chairman, Asian Paints Ltd.



### Keki Mistry

Vice Chairman & CEO, HDFC Ltd.

## Independent Director



### Rekha Sethi

Director General All India Management Association (AIMA)



### Hasmukh Shah

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



### S. Mohanchand Dadha

Former Chairman & Managing Director, TDPL

# Financials



# Financials



Market Capitalisation Rs. 1,800 billion / US\$ 27 billion

( All Figures in USD. Mn )

|                        | FY12  | YoY | FY13  | YoY | FY14  | YoY | FY15* | YoY  | FY16* | YoY |
|------------------------|-------|-----|-------|-----|-------|-----|-------|------|-------|-----|
| <b>P&amp;L Summary</b> |       |     |       |     |       |     |       |      |       |     |
| Net Sales              | 1,672 | 33% | 2,067 | 24% | 2,649 | 28% | 4,457 | 68%  | 4,240 | -5% |
| Gross Profit           | 1,330 | 42% | 1,685 | 27% | 2,189 | 30% | 3,354 | 53%  | 3,249 | -3% |
| EBITDA                 | 679   | 59% | 903   | 33% | 1,178 | 30% | 1,263 | 7%   | 1,192 | -6% |
| Net Profit             | 555   | 39% | 549   | -1% | 520   | -5% | 743   | 43%  | 721   | -3% |
| Net Profit (Adjusted)  | 555   | 39% | 656 # | 18% | 937 # | 43% | 781 # | -17% | 825 # | 6%  |
| R&D Spend              | 93    | 28% | 130   | 39% | 172   | 33% | 320   | 85%  | 352   | 10% |

|                        | Mar'12 | YoY  | Mar'13 | YoY  | Mar'14 | YoY  | Mar'15* | YoY  | Mar'16* | YoY  |
|------------------------|--------|------|--------|------|--------|------|---------|------|---------|------|
| <b>BS Summary</b>      |        |      |        |      |        |      |         |      |         |      |
| Shareholders Funds     | 2,392  | 13%  | 2,762  | 15%  | 3,082  | 12%  | 4,094   | 33%  | 4,735   | 16%  |
| Loan Funds             | 52     | -37% | 37     | -30% | 414    |      | 1,437   | 247% | 1,284   | -11% |
| Net Fixed Assets       | 640    | 4%   | 935    | 46%  | 969    | 4%   | 1,761   | 82%  | 2,014   | 14%  |
| Investments            | 433    | -13% | 444    | 3%   | 464    | 4%   | 434     | -6%  | 197     | -55% |
| Cash and Bank Balances | 658    | 33%  | 748    | 14%  | 1,263  | 69%  | 1,757   | 39%  | 2,109   | 20%  |
| Inventory              | 408    | 22%  | 475    | 16%  | 520    | 9%   | 906     | 74%  | 968     | 7%   |
| Sundry Debtors         | 406    | 64%  | 444    | 9%   | 366    | -18% | 816     | 123% | 1,025   | 26%  |
| Sundry Creditors       | 194    | 34%  | 195    | 0%   | 221    | 13%  | 525     | 138% | 526     | 0%   |

Exchange Rate :

For Market Capitalisation US\$1 = Rs 66.85 (As on 30 Oct 2016)

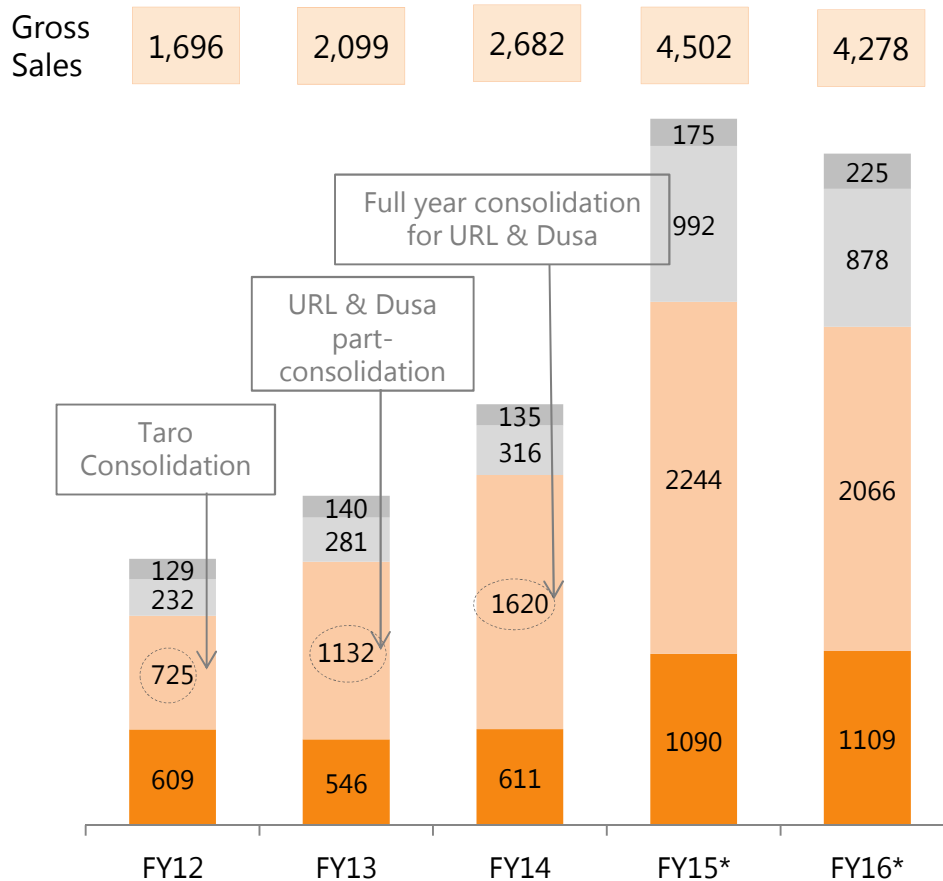
# Adjusted for USD 107 Mn provision related to generic Protonix settlement for the year 2012-13 and Adjusted for USD 417 Mn provision related to generic Protonix settlement for the year 2013-14 and Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15 and Adjusted for USD 104 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15

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

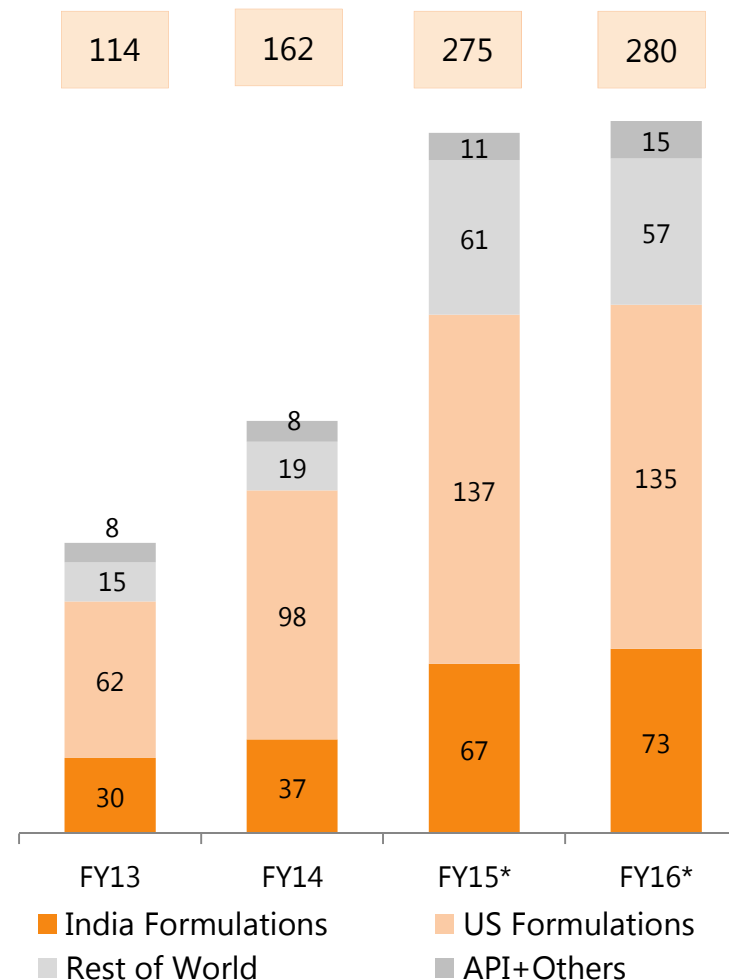
\* FY15 & FY16 numbers include the impact of Ranbaxy merger

# Sales Break-up

## In USD Million



## In INR Billion

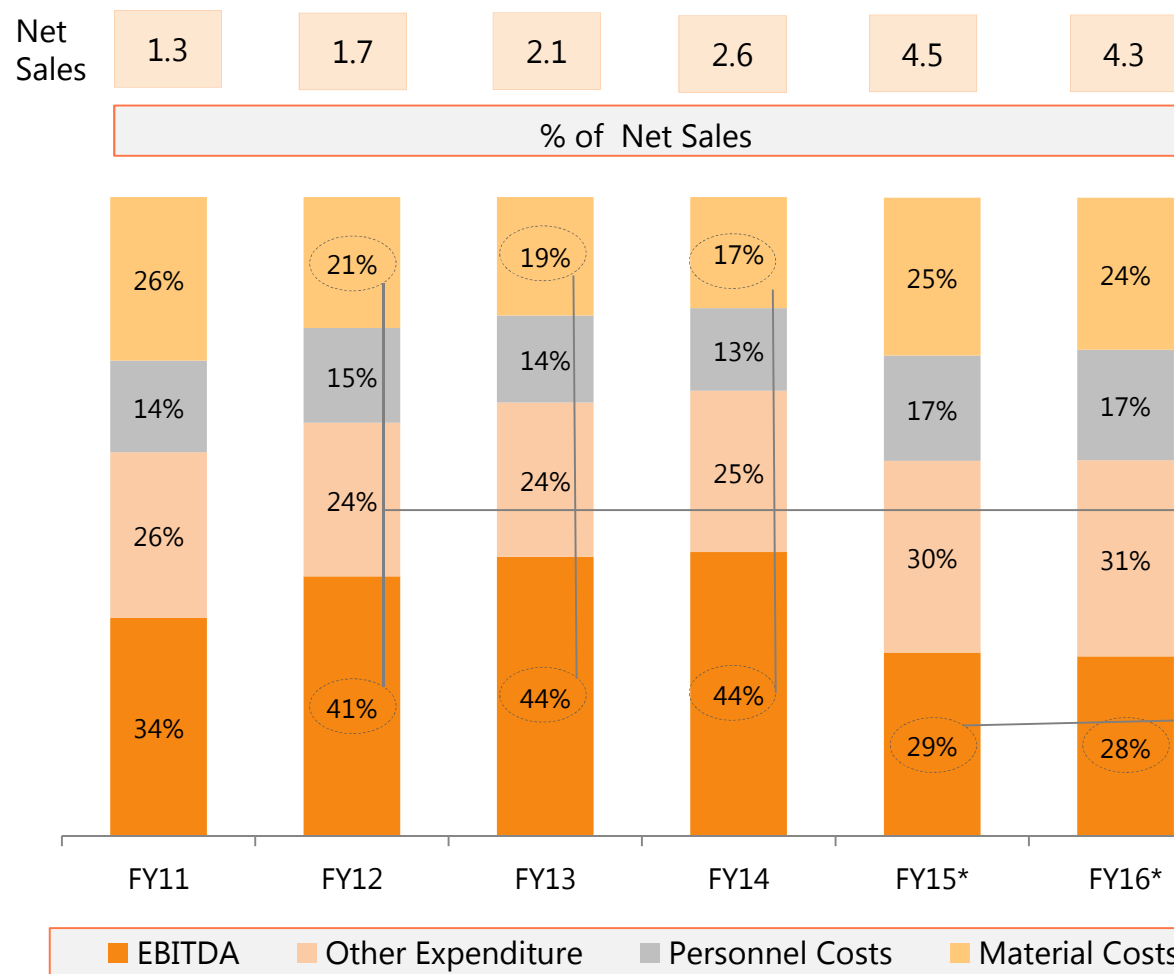


Rest of world includes all formulations sales excluding US & India  
 FY10 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 & FY16 numbers include the impact of Ranbaxy merger

#Exchange Rate : US\$1 = Rs 54.36 (for FY13), US\$1 = Rs 60.41 (for FY14),  
 US\$1 = Rs 61.13 (for FY15) , US\$1 = Rs 65.43 (for FY16)

# EBITDA Trend

**In USD Billion**



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

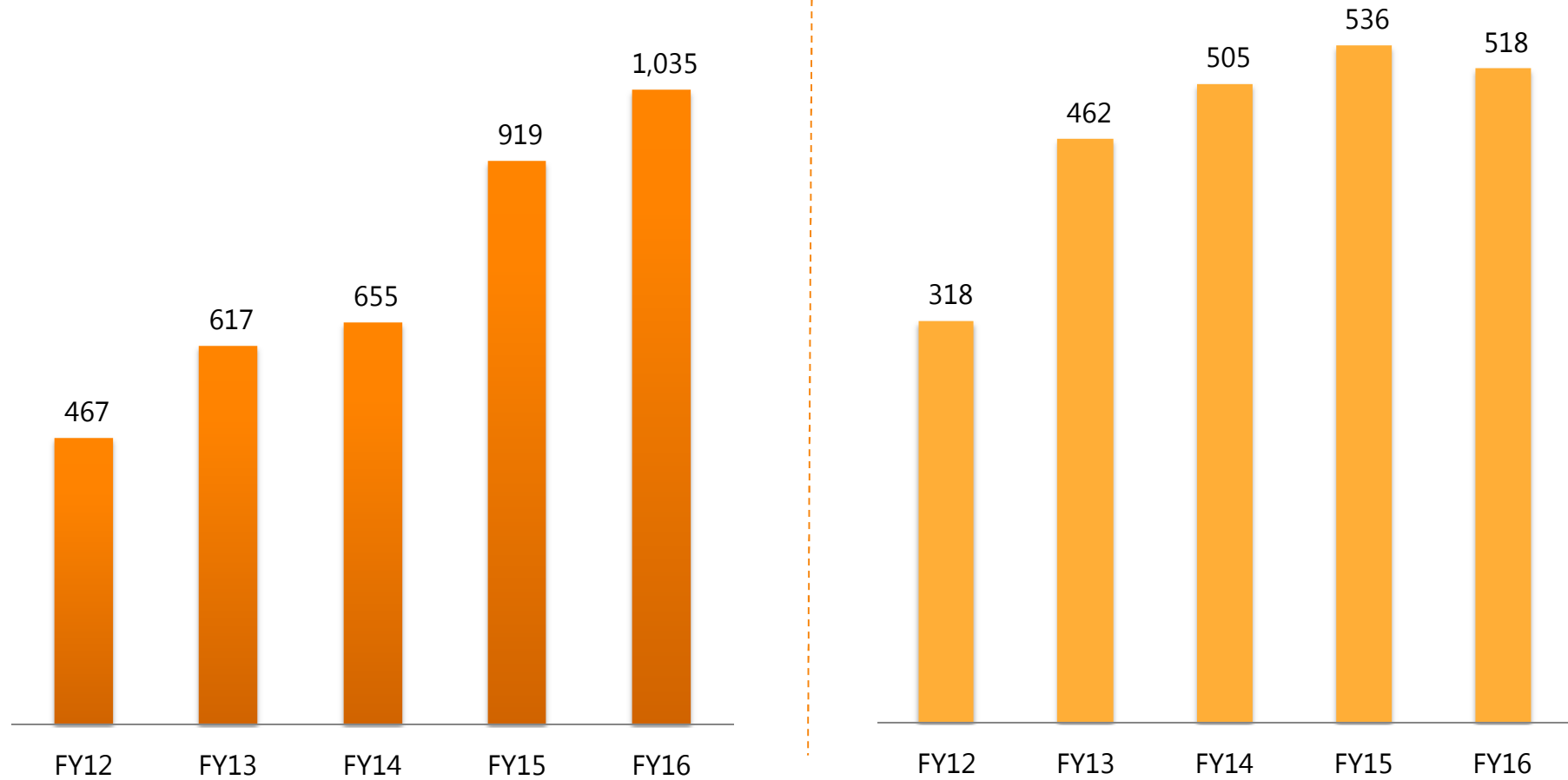
Impact of Ranbaxy acquisition

FY10 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 & FY16 numbers include the impact of Ranbaxy merger

# Cash Flow



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



All numbers above exclude Ranbaxy financials



# Financial Ratios



|                                     | FY12 | FY13   | FY14   | FY15*    | FY16*  |
|-------------------------------------|------|--------|--------|----------|--------|
| <b>Growth (%)</b>                   |      |        |        |          |        |
| Net Sales                           | 33.2 | 23.6   | 28.1   | 68.2     | (4.9)  |
| Gross Profit                        | 42.3 | 26.7   | 29.9   | 53.2     | (3.1)  |
| EBITDA                              | 58.6 | 32.9   | 30.5   | 7.2      | (5.6)  |
| Net Profit                          | 39.3 | (1.1)  | (5.2)  | 42.8     | (2.9)  |
| Net Profit (Adjusted)               | 39.3 | 18.2 # | 42.8 # | (16.6) # | 5.6 #  |
| <b>Margins (%)</b>                  |      |        |        |          |        |
| Gross Margin                        | 79.5 | 81.5   | 82.6   | 75.3     | 76.6   |
| EBITDA Margin (%)                   | 40.6 | 43.7   | 44.5   | 28.3     | 28.1   |
| Net Margin                          | 33.2 | 26.5   | 19.6   | 16.7     | 17.0   |
| Net Margin (Adjusted)               | 33.2 | 31.7 # | 35.4 # | 17.5 #   | 19.5 # |
| <b>Return (%)</b>                   |      |        |        |          |        |
| ROCE                                | 23.8 | 26.7   | 26.9   | 14.7     | 15.3   |
| ROE                                 | 23.8 | 25.7   | 30.9   | 18.5     | 18.5   |
| <b>Others</b>                       |      |        |        |          |        |
| Debt / Equity                       | 0.02 | 0.01   | 0.13   | 0.35     | 0.27   |
| Fully Diluted (USD) EPS             | 0.3  | 0.3    | 0.3    | 0.3      | 0.3    |
| Fully Diluted EPS (USD) (Adjusted)  | 0.3  | 0.3 #  | 0.5 #  | 0.3 #    | 0.3 #  |
| <b>R&amp;D Spend % of Net Sales</b> | 5.6  | 6.3    | 6.5    | 7.2      | 8.3    |
| Revenue                             | 4.8  | 5.9    | 6.2    | 6.6      | 7.9    |
| Capital                             | 0.4  | 0.4    | 0.3    | 0.4      | 0.3    |

# Adjusted for USD 107 Mn provision related to generic Protonix settlement for the year 2012-13 and 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 2014-15

# Key Financials Q2 & H1 FY17



( All Figures in USD Mn )

|                                | Q2 FY17      | Q2 FY16      | CHANGE      | H1 FY17      | H1 FY16      | CHANGE     |
|--------------------------------|--------------|--------------|-------------|--------------|--------------|------------|
| <b>Net Sales</b>               | <b>1,159</b> | <b>1,056</b> | <b>10%</b>  | <b>2,357</b> | <b>2,086</b> | <b>13%</b> |
| Gross Profit                   | 884          | 825          | 7%          | 1,806        | 1,588        | 14%        |
| Gross Margin                   | 76%          | 78%          |             | 77%          | 76%          |            |
| EBITDA                         | 398          | 286          | 39%         | 800          | 528          | 51%        |
| EBITDA Margin                  | 34%          | 27%          |             | 34%          | 25%          |            |
| Net Profit                     | 334          | 158          | 111%        | 638          | 246          | 159%       |
| Net margin                     | 29%          | 15%          |             | 27%          | 12%          |            |
| <b>Net Profit (Adjusted)</b>   | <b>334</b>   | <b>158</b>   | <b>111%</b> | <b>638</b>   | <b>432</b>   | <b>48%</b> |
| Net margin (Adjusted)          | 29%          | 15%          |             | 27%          | 21%          |            |
| R&D                            | 85           | 77           | 11%         | 165          | 157          | 5%         |
| R&D as % of Net Sales          | 7.3%         | 7.3%         |             | 7.0%         | 7.5%         |            |
| EPS (Diluted) IN \$            | 0.1          | 0.1          | 111%        | 0.3          | 0.1          | 159%       |
| EPS (Diluted) IN \$ (Adjusted) | 0.1          | 0.1          | 111%        | 0.3          | 0.2          | 78%        |

All Financials are as per IND-AS

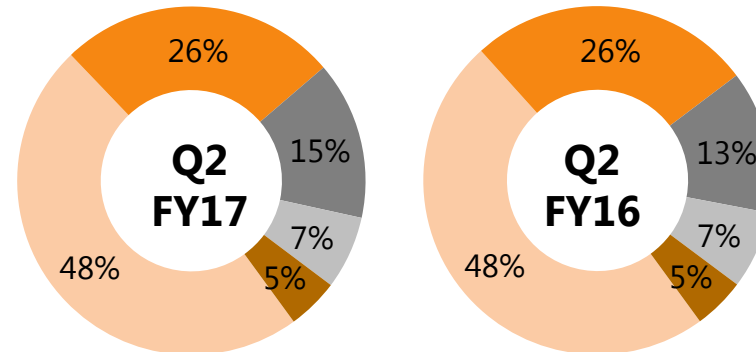
# Sales Breakup Q2 & H1 FY17



( All Figures in USD. Mn )

|                    | Q2 FY17      | Q2 FY16      | CHANGE     | H1 FY17      | H1 FY16      | CHANGE     |
|--------------------|--------------|--------------|------------|--------------|--------------|------------|
| <b>Formulation</b> |              |              |            |              |              |            |
| India              | 300          | 278          | 8%         | 577          | 550          | 5%         |
| US                 | 555          | 510          | 9%         | 1,163        | 998          | 17%        |
| Emerging Markets   | 170          | 140          | 22%        | 325          | 273          | 19%        |
| ROW                | 79           | 76           | 3%         | 163          | 167          |            |
| <i>Sub-total</i>   | <b>1,104</b> | <b>1,005</b> | <b>10%</b> | <b>2,228</b> | <b>1,989</b> | <b>12%</b> |
| Bulk               | 55           | 48           | 13%        | 125          | 91           | 37%        |
| Others             | 1            | 2            | -69%       | 3            | 6            | -39%       |
| <b>Gross Sales</b> | <b>1,159</b> | <b>1,056</b> | <b>10%</b> | <b>2,357</b> | <b>2,086</b> | <b>13%</b> |

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



All Financials are as per IND-AS

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

# Key Milestones targeted for future

## US Business

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

## India Business

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

## RoW Business

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

# Key Milestones targeted for future

## Global Consumer Healthcare

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

## R&D

- Develop more products through expanded R&D team for global markets
- Focus on developing complex products across multiple dosage forms

## Regulatory/ Quality

- Ensuring 24x7 compliance to cGMP is imperative for a global business
- Continuously enhance systems, processes, human capabilities to ensure compliance with global regulatory standards
- Ensure resolution of consent decree at Ranbaxy's facilities

## Financial

- Target sustainable and profitable growth
- Deliver on the US\$ 300 million synergy benefits from Ranbaxy acquisition by FY18

# FY17 Guidance

## Consolidated Revenues

- To grow by 8-10% over FY16

## R&D Investments

- Approximately 9% of revenues to be invested in R&D

## Ranbaxy Integration Synergy

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

## Investing for Future

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

# Sun Pharma at a glance



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

|                         |   |
|-------------------------|---|
| US                      | <ul style="list-style-type: none"><li>• Ranked 5<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>  |
| India                   | <ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>   |
| Emerging Markets        | <ul style="list-style-type: none"><li>• 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>• 47 manufacturing sites across the world</li></ul>   |
| Market Presence         | <ul style="list-style-type: none"><li>• Presence in more than 150 countries across branded and generic markets</li></ul>                                      |
| Product Portfolio       | <ul style="list-style-type: none"><li>• Portfolio of more than 2,000 products across the world</li></ul>  |
| Employees               | <ul style="list-style-type: none"><li>• 30,000+ global employee base</li></ul>  |
| Quality Compliance      | <ul style="list-style-type: none"><li>• Multiple facilities approved by various regulatory authorities across the world including USFDA</li></ul>             |
| R&D and Manufacturing   | <ul style="list-style-type: none"><li>• Capabilities across dosage forms like injectables, sprays, ointments, creams, liquids, tablets and capsules</li></ul> |
| Addressable Segments    | <ul style="list-style-type: none"><li>• Specialty products, branded generics, complex generics, pure generics &amp; APIs</li></ul>                            |

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



# Thank You!

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