



# Creating Lasting Value

Investor Presentation – Sept 2017



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

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# Disclaimer

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.

# Contents

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

# Sun Pharma at a glance

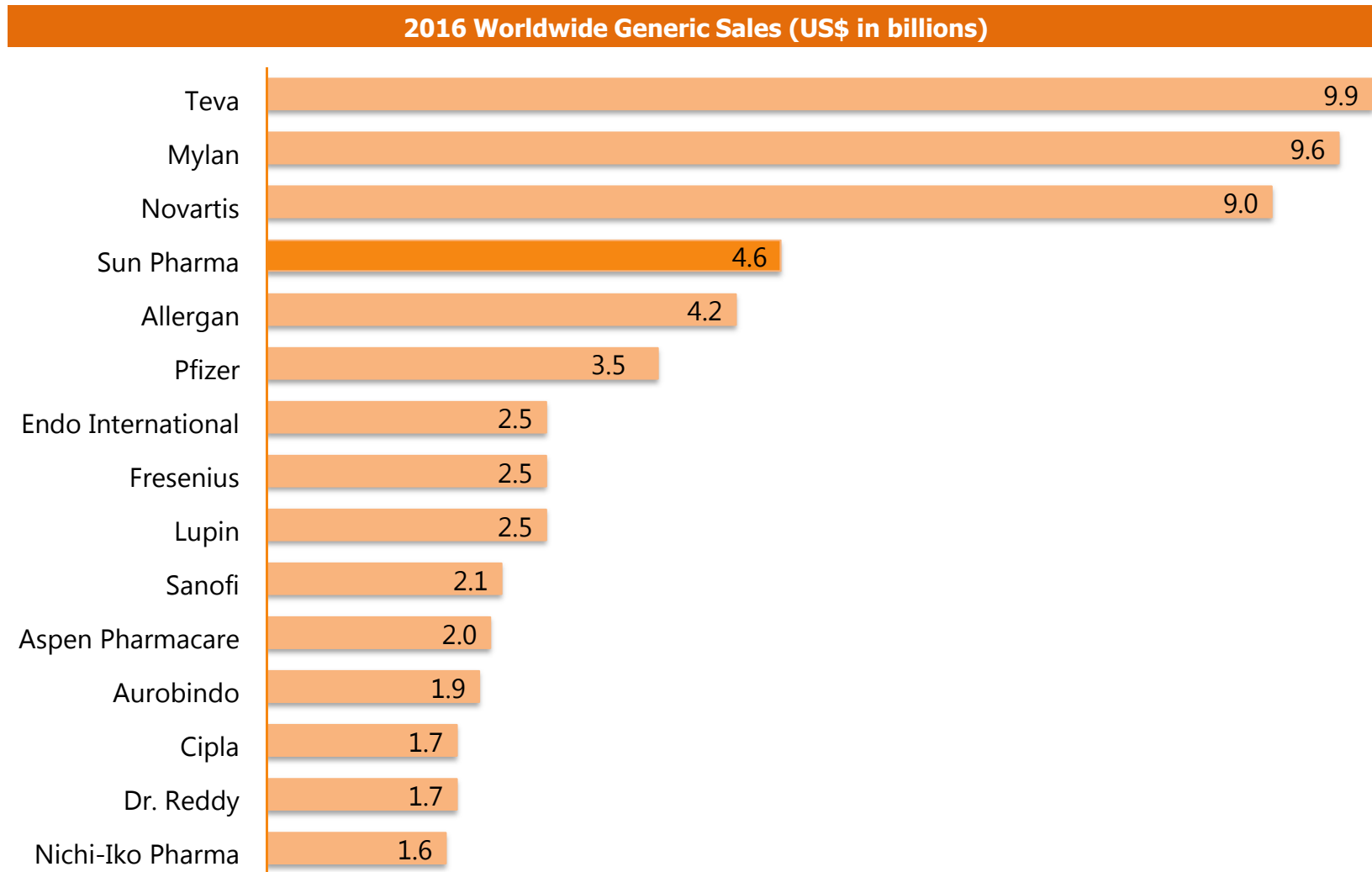


## 4<sup>th</sup> Largest Global Specialty Generic Company

US	<ul style="list-style-type: none"><li>• Ranked 4<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>• 41 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 2016

# World's 4th Largest Specialty Generic Pharma Co



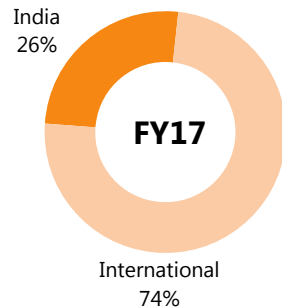
Source: Evaluate Pharma

# Sun Pharma today



## US Formulations

- 4<sup>th</sup> largest generics company in US\* with one of the strongest pipeline (151 ANDAs & 5 NDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 433 approved products
- FY17 sales: US\$ 2,051 mn <sup>(2)</sup>



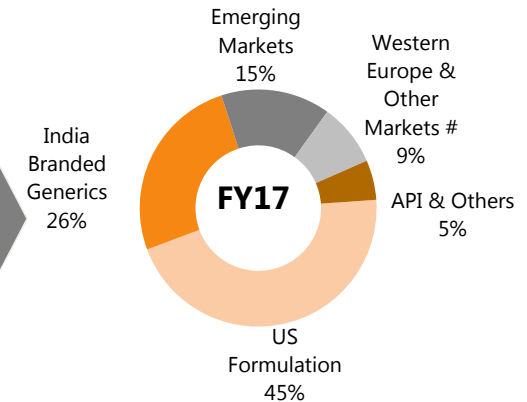
Geographical sales split

- Market cap: US\$ 18 bn <sup>(1)</sup>
- Gross Sales: US\$ 4,512 mn <sup>(2)</sup>
- EBITDA: US\$ 1,308 (29% margin) <sup>(2)</sup>
- R&D Investment: 7.6% of Sales
- Globalized supply chain
- 54% owned by promoter group
- Strong balance sheet, low debt
- Strong product pipeline

Revenue Break-up

## India Branded Generics

- No.1 ranked with 11 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY17 sales: US\$ 1,155 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
- FY17 sales: US\$ 675 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
- FY17 sales: US\$ 385 mn <sup>(2)</sup>

Note:

(1) As of Sept, 29, 2017 using spot exchange rate of INR /USD = 65.35

(2) Using average exchange rate for FY17 of INR /USD = 67.07

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

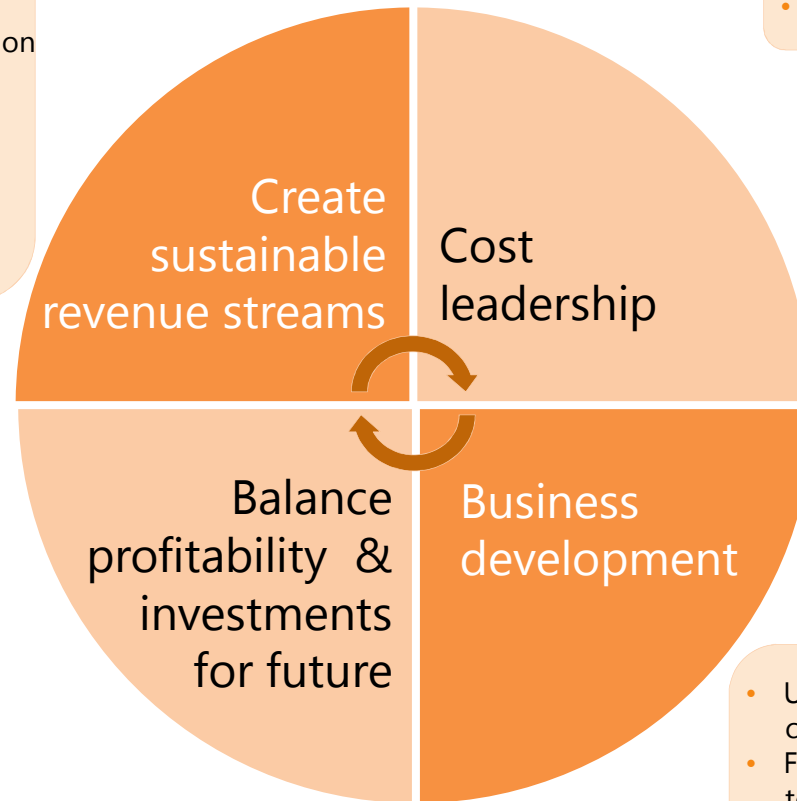
All sales numbers in US\$ for 12 months ended March 31, 2017.

\* Source: Evaluate Pharma for 12 months ended Dec 2016

# 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

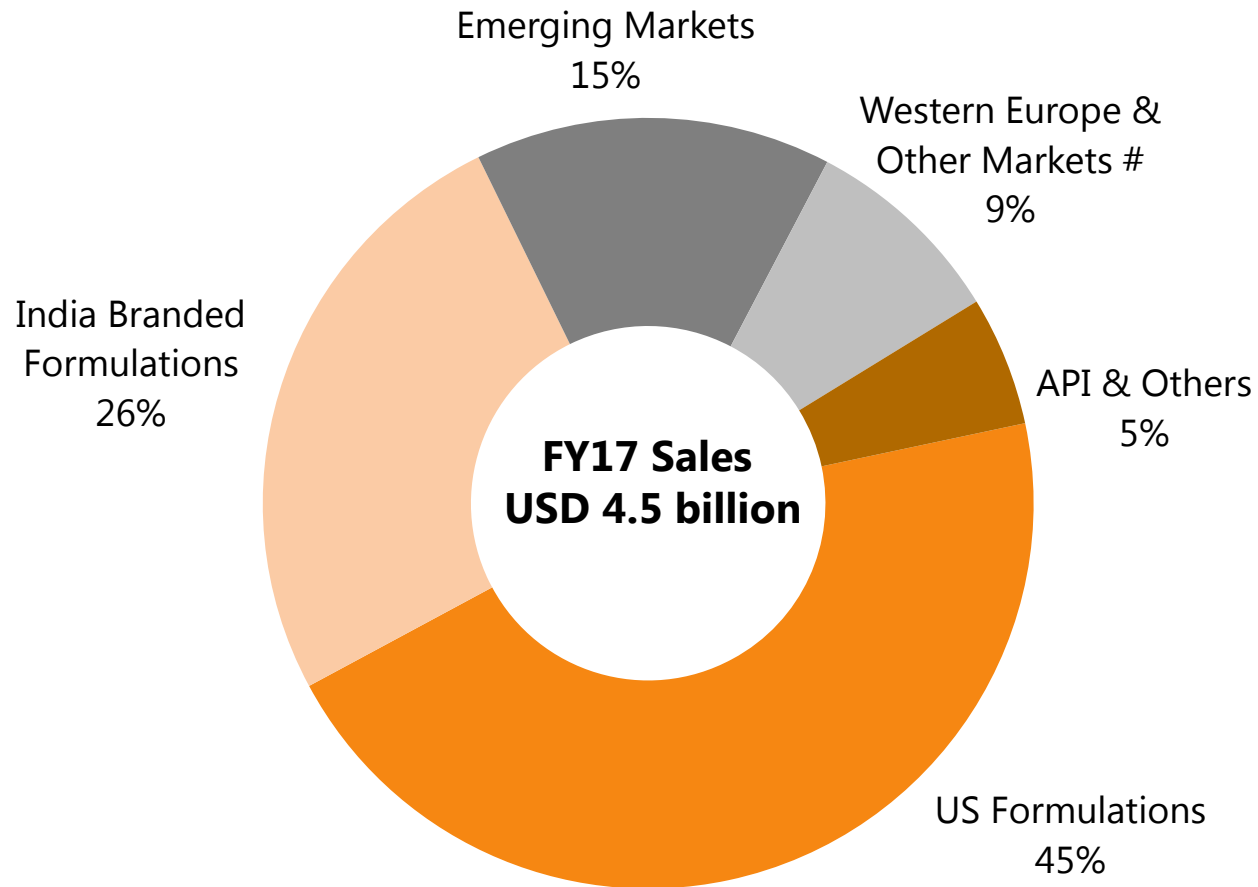


## Ramping up Specialty Pipeline

- In-licensed Tildrakizumab (a monoclonal antibody targeting IL-23) from MSD for treating chronic plaque psoriasis- Filed with US FDA and EMA for European market.
- Acquired Ocular Technologies – Gives access to global rights for Seciera – for treating Dry Eye Disease. Announced positive results from confirmatory Phase-3 trials in Jan'17. NDA filing expected by Q3 FY18. Evaluate other markets for filling Seciera.
- Acquired branded oncology product – Odomzo – in Dec'16. Product is approved in 30 countries globally including US, Europe and Australia, Initiated marketing in the US.
- Launched BromSite – first specialty ophthalmology product in US in Nov'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.
- In-licensed Xelpros (ophthalmology) and Elepsia (CNS) products from SPARC
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases



# Highly Diversified Revenue Base

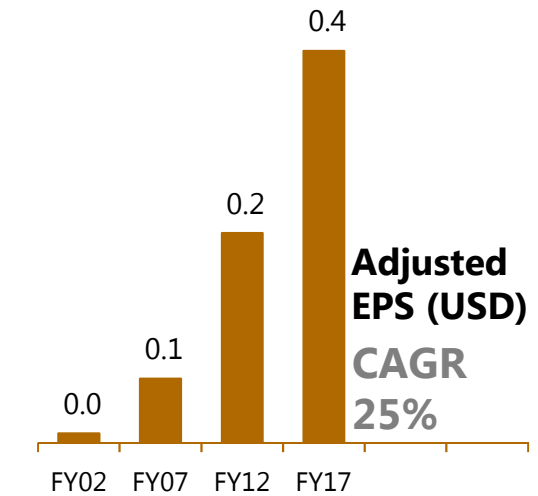
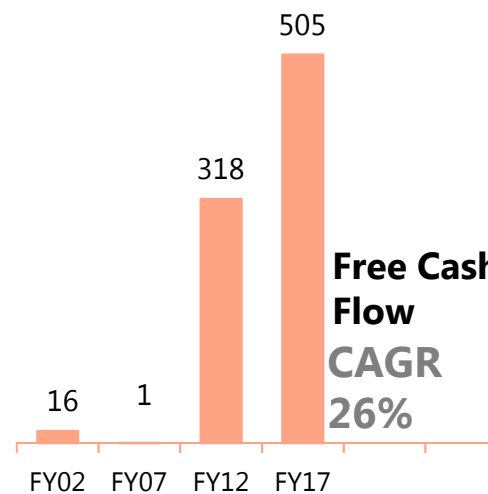
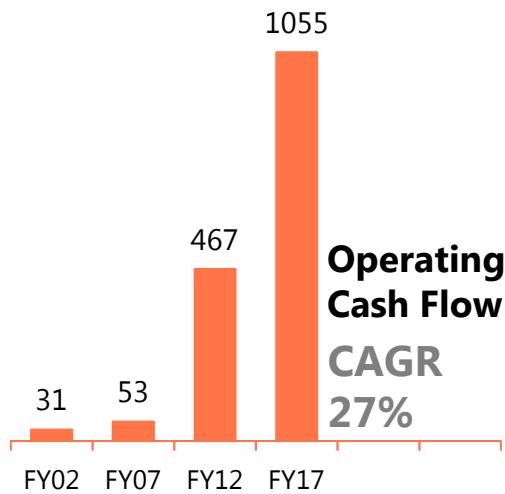
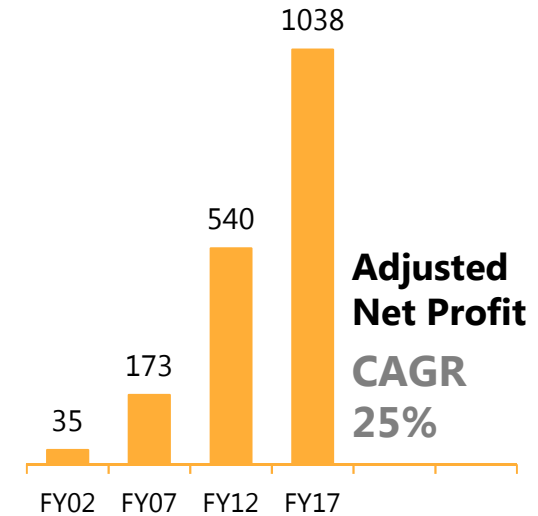
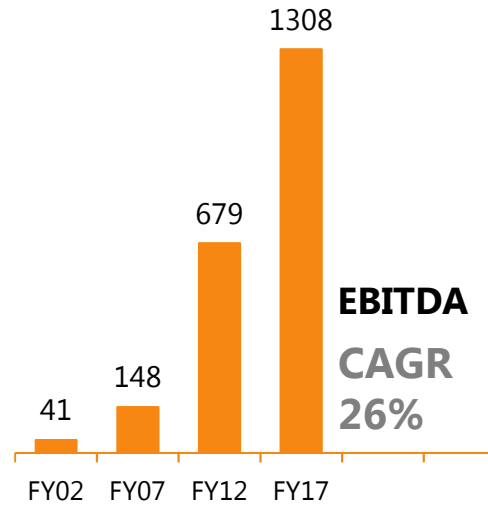
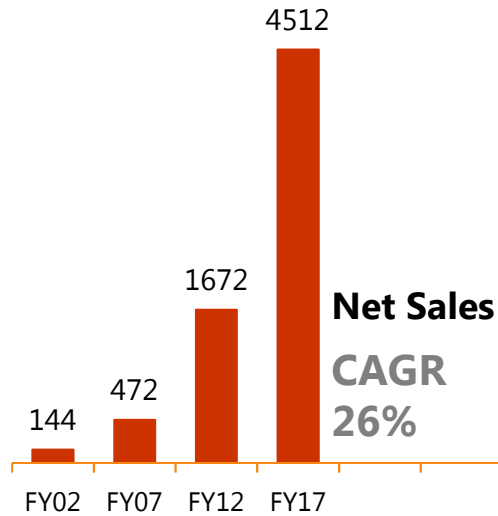


# Includes Western Europe, Canada, Japan , Australia, New Zealand and other markets.

# Impressive Track Record of Growth



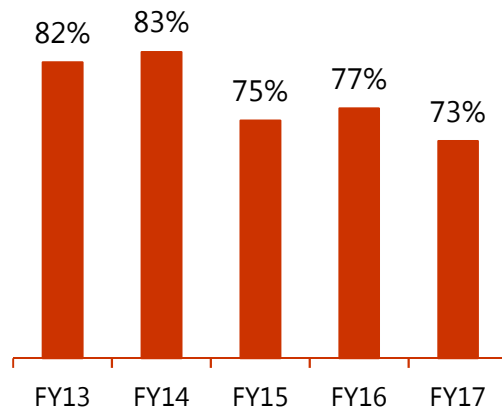
(All Figures in USD Million)



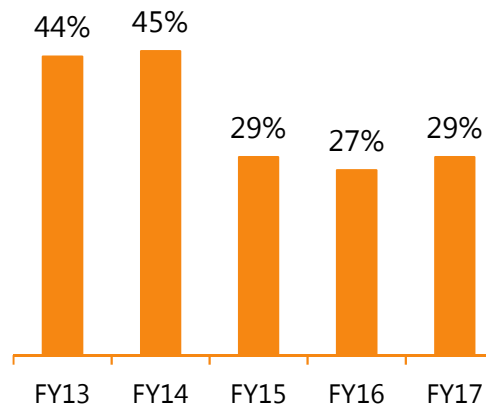
# Consistent profitability and returns



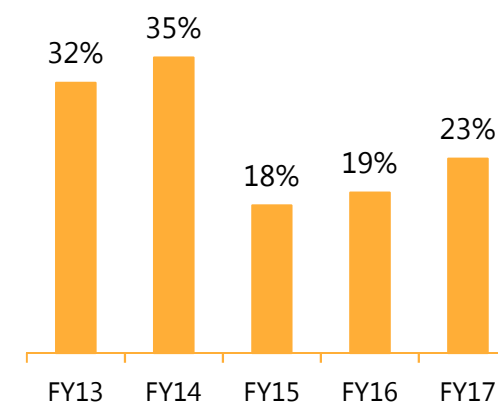
### Gross Margin #



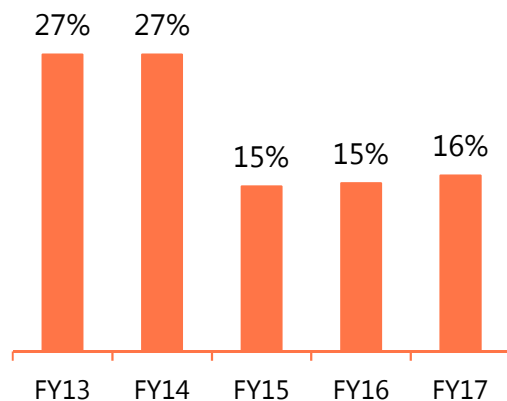
### EBITDA Margin



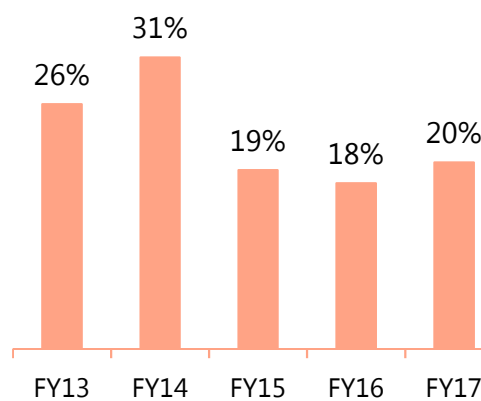
### Net Margin (adjusted)



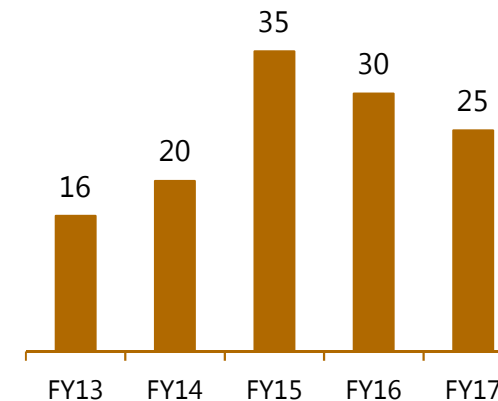
### ROCE



### ROE



### Market Cap (USD Bn)



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

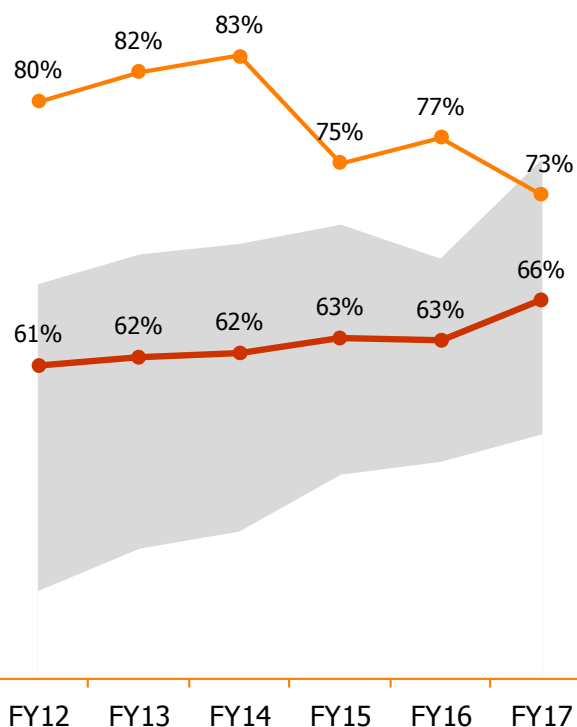
(Market Cap as on 31st March )

# Sustained Profitability Vs. Peers

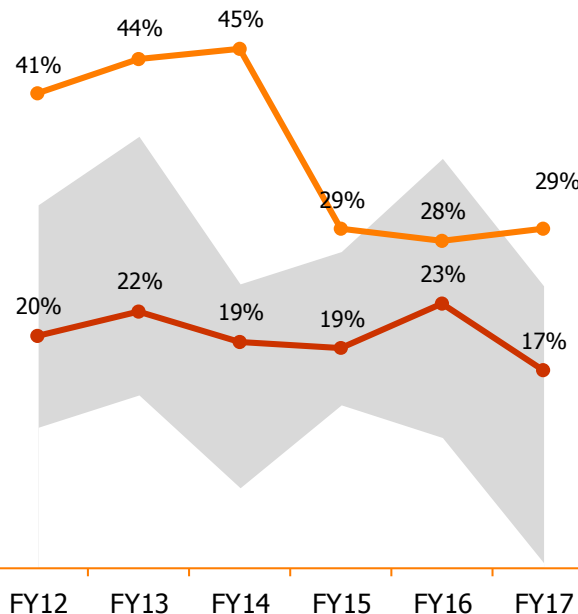
Superior business model

Margins consistently higher than peers#

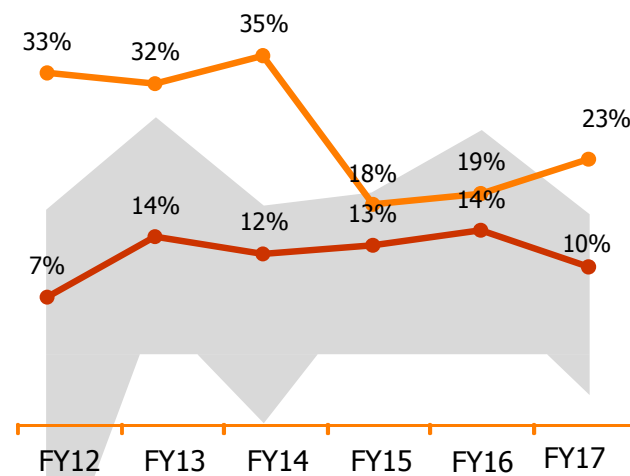
## Gross Margin



## EBITDA Margin



## Net Margin

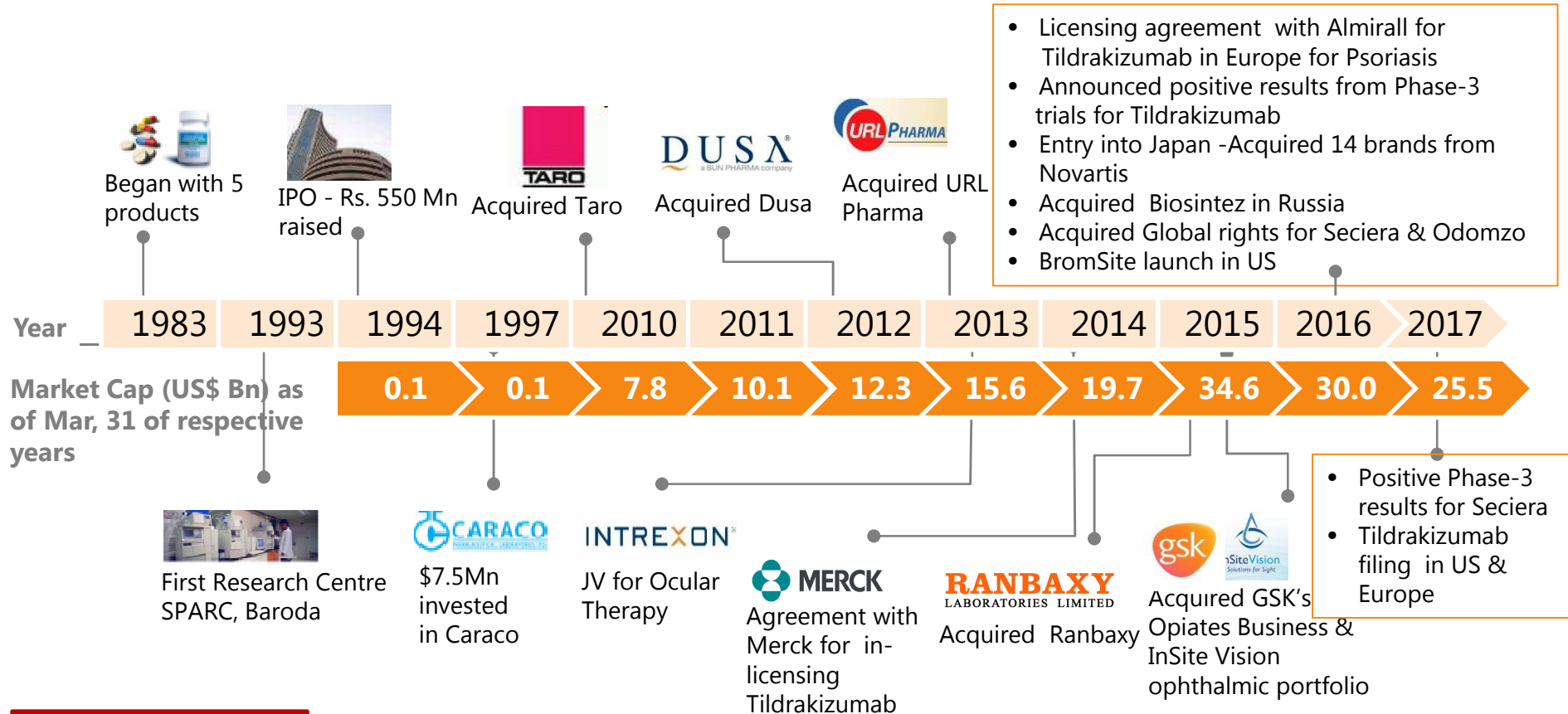


Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

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

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

# Creating Value, Continuously...



- Licensing agreement with Almirall for Tildrakizumab in Europe for Psoriasis
- Announced positive results from Phase-3 trials for Tildrakizumab
- Entry into Japan - Acquired 14 brands from Novartis
- Acquired Biosintez in Russia
- Acquired Global rights for Seciera & Odomzo
- BromSite launch in US

- Positive Phase-3 results for Seciera
- Tildrakizumab filing in US & Europe

## Sun Pharma Today



30,000+ Employees



Invested USD.1.6 billion in R&D till date



Part of NSE Nifty & BSE Sensex in India



Stock of the nation



41 Manufacturing facilities in 6 Continents



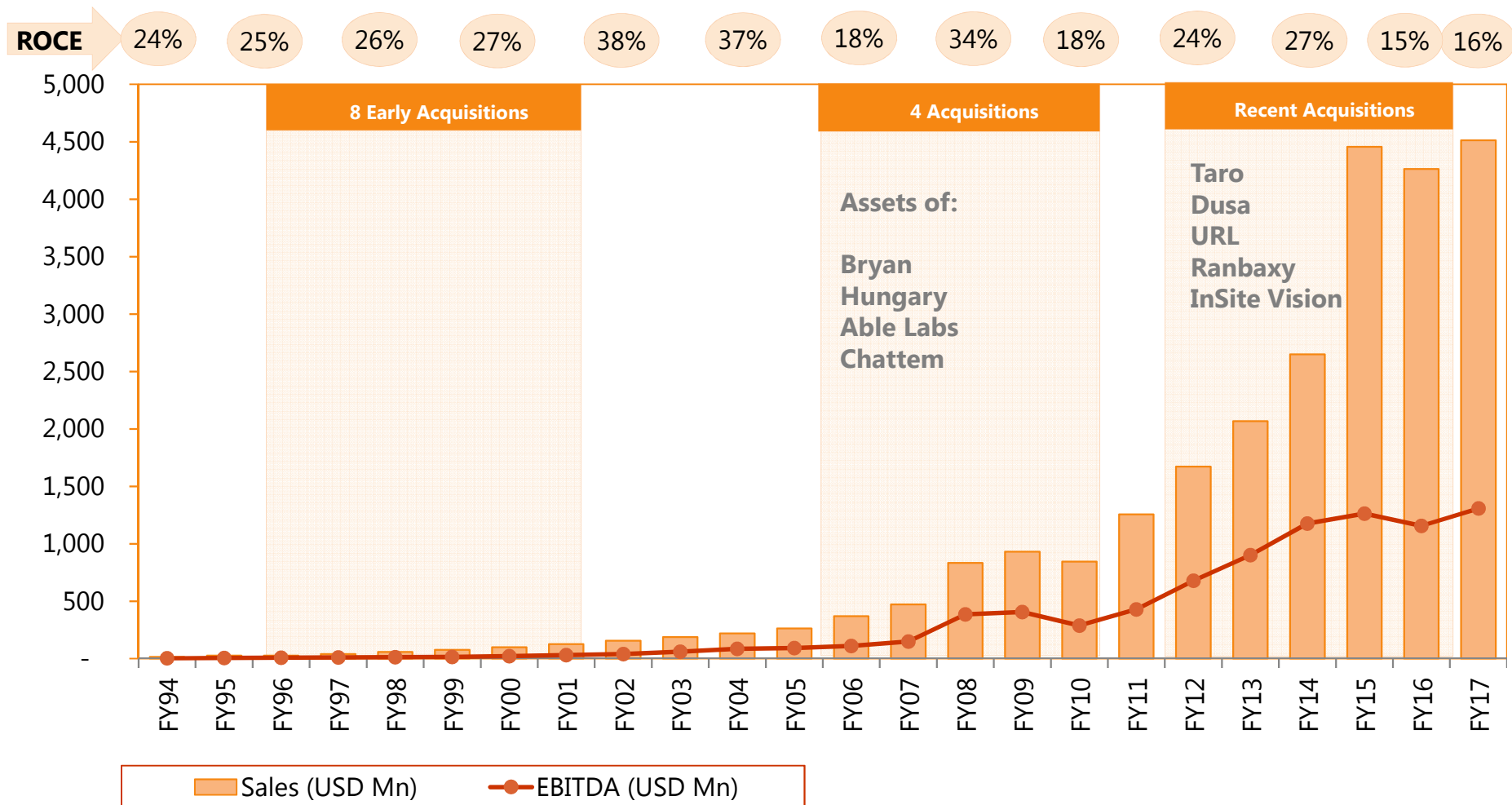
74% of sales from international markets

# Key Deals & Rationale



Year	Deals	Country	Rationale
2016	Acquired global rights for Seciera & 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	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 Pharmedica	US	Sterile injectable capacity in the US, supported by strong R&D capabilities
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
1997	Acquired Caraco	Detroit, US	Entry into US Market

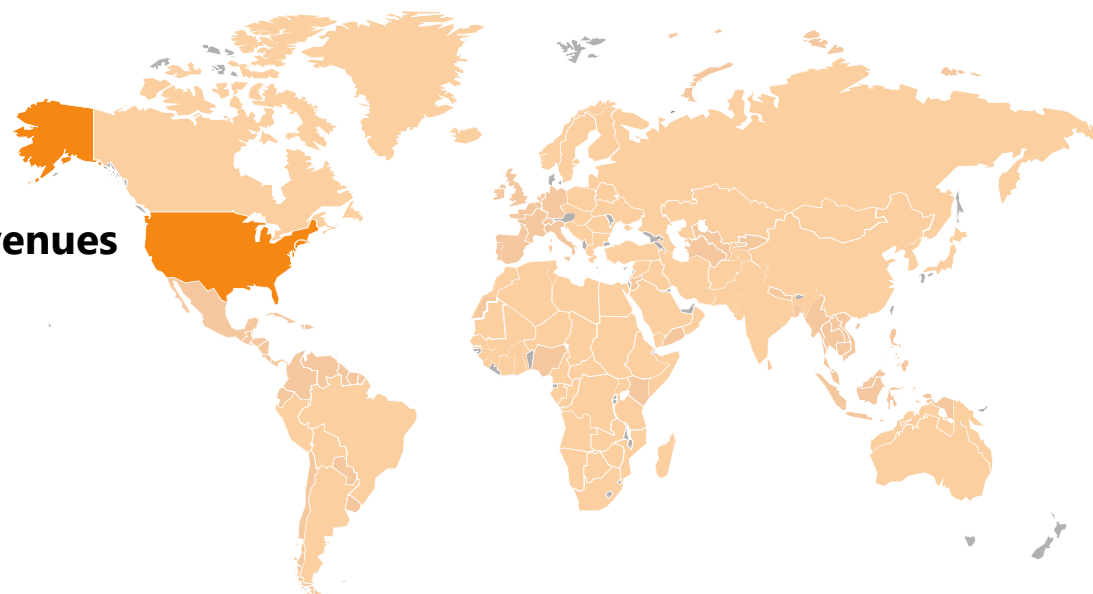
# Successful track record of turning around acquisitions



# US Business



**45% of Revenues**





# US Business at a glance

4<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 584 ANDAs & 42 NDAs filed and 433 ANDAs & 37 NDAs approved across multiple therapies

## Robust Pipeline

- 151 ANDAs & 5 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

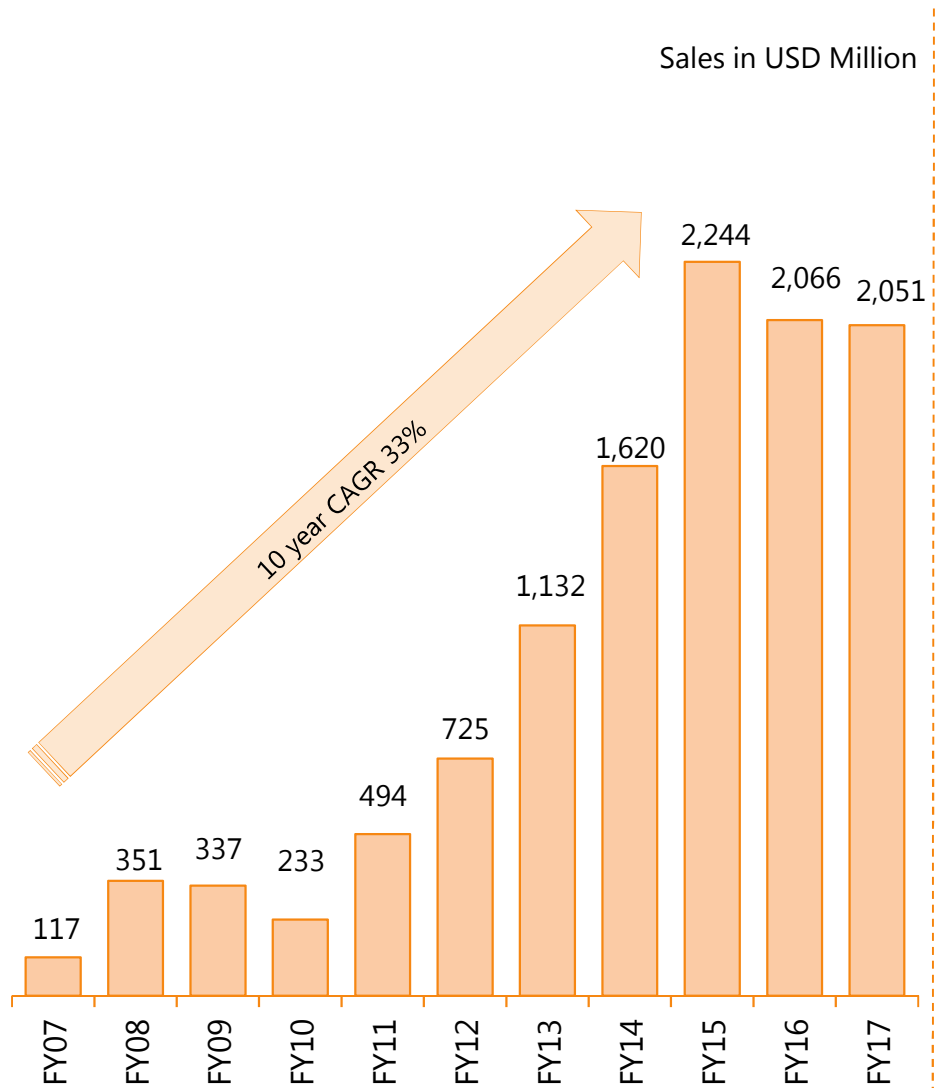
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

\* Source: Evaluate Pharma for 12 months ended Dec 2016

# US Business - Significant Ramp-up in Sales



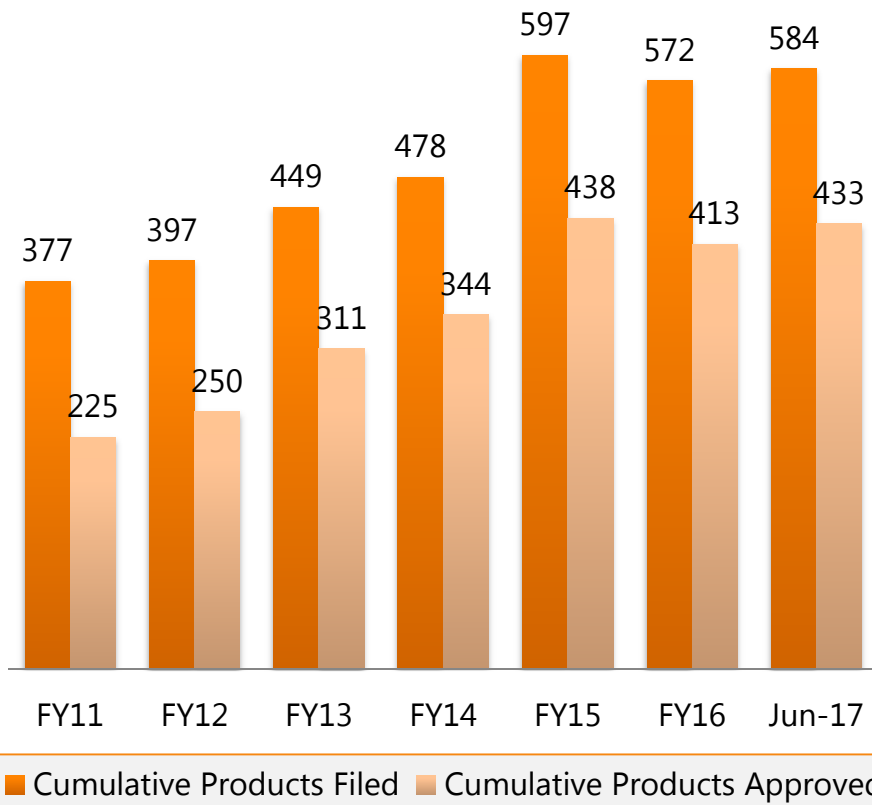
## Key Milestones in US

- 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
- FY17**
  - Acceptance of Tildrakizumab filing by US FDA for US market
  - Potential access to Seciera, a product for treating dry eyes.
  - Acquired Ocular Technologies
  - Launched BromSite in US
  - Acquired Odomzo- branded oncology product from Novartis

# ANDA Pipeline - Significant ramp up

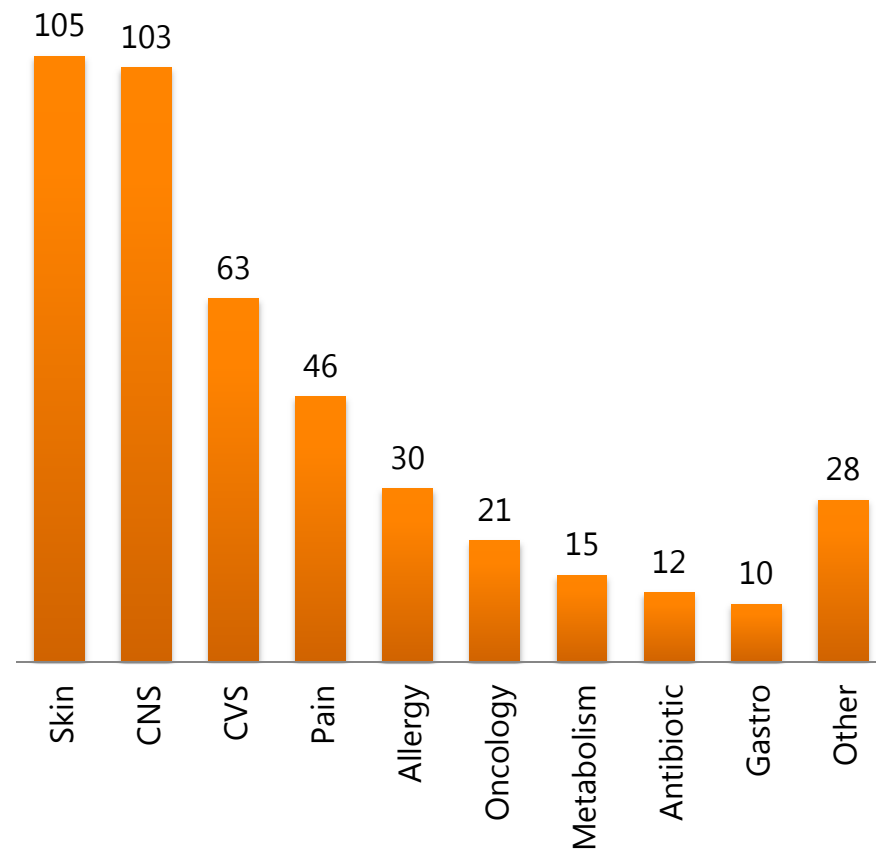


## ANDAs Filed and Approved



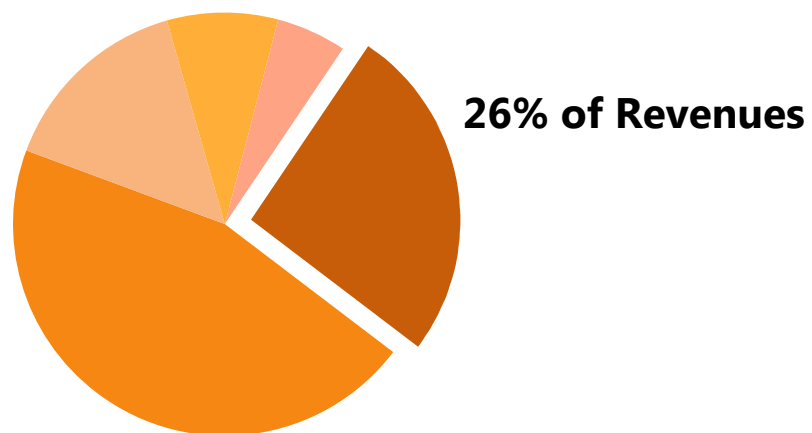
(Cumulative no's for FY16 are lower than FY15 due to Bryan facility divestment. Taro numbers added since Mar 2011, URL numbers added since Mar 2013 & Ranbaxy numbers added for March'15)

## 433 ANDA Approvals by Therapeutic Area



(As of June'17)

# India Branded Generic Business



# India Business at a glance



## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.6% market share
- Growth of 11% in-line with average industry growth of 10%

### Prescription Ranking##

- No. 1 ranked by prescriptions with 11 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. 18% of India revenues
- Growth driven by a basket of brands – low product concentration

### Extensive Sales Force

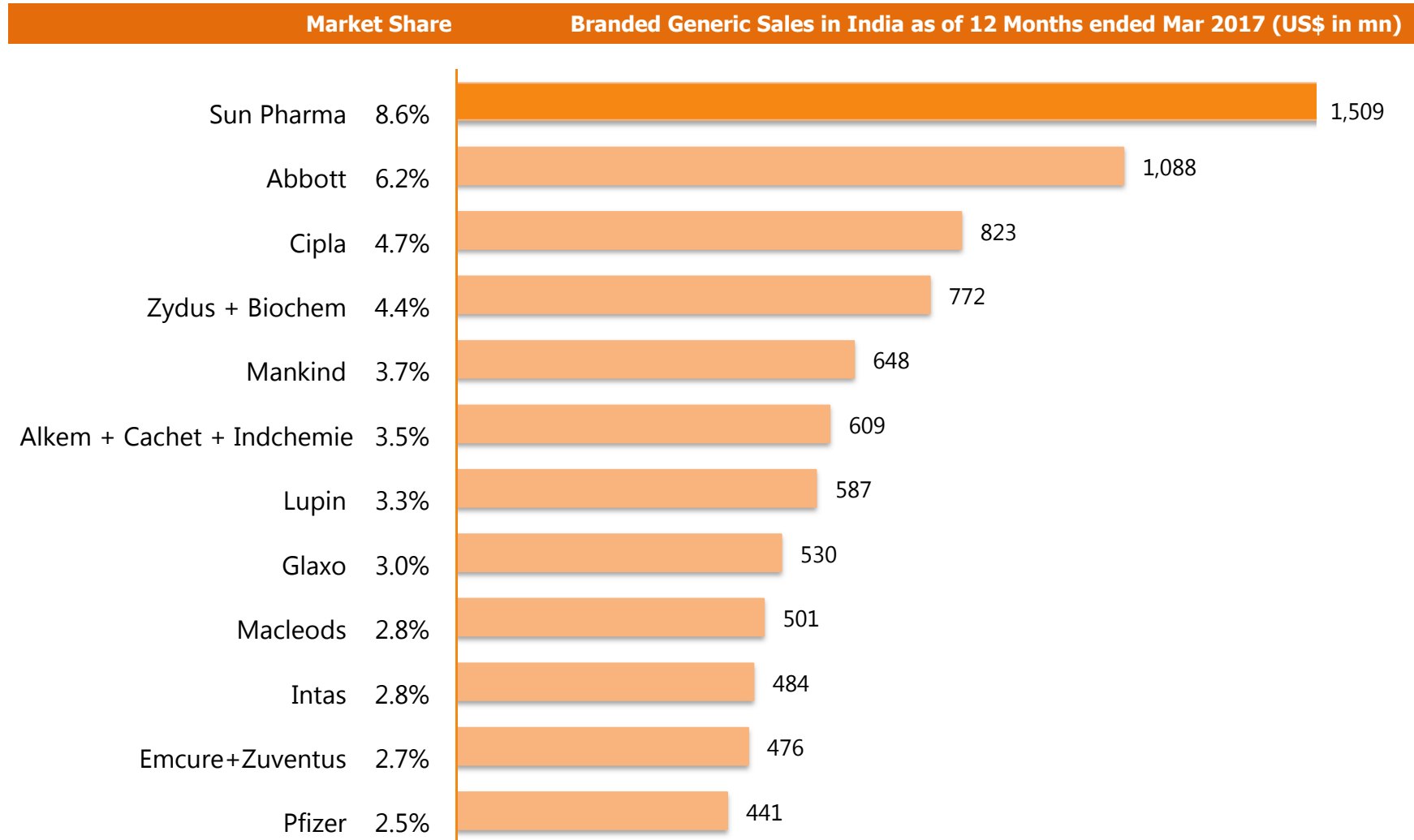
- 9,200+ strong field force covering over 600,000\* doctors

\*\* - As per AIOCD AWACS data for 12 months ended March'17

## - As per SMSRC data for June'17

\* Does not exclude overlaps

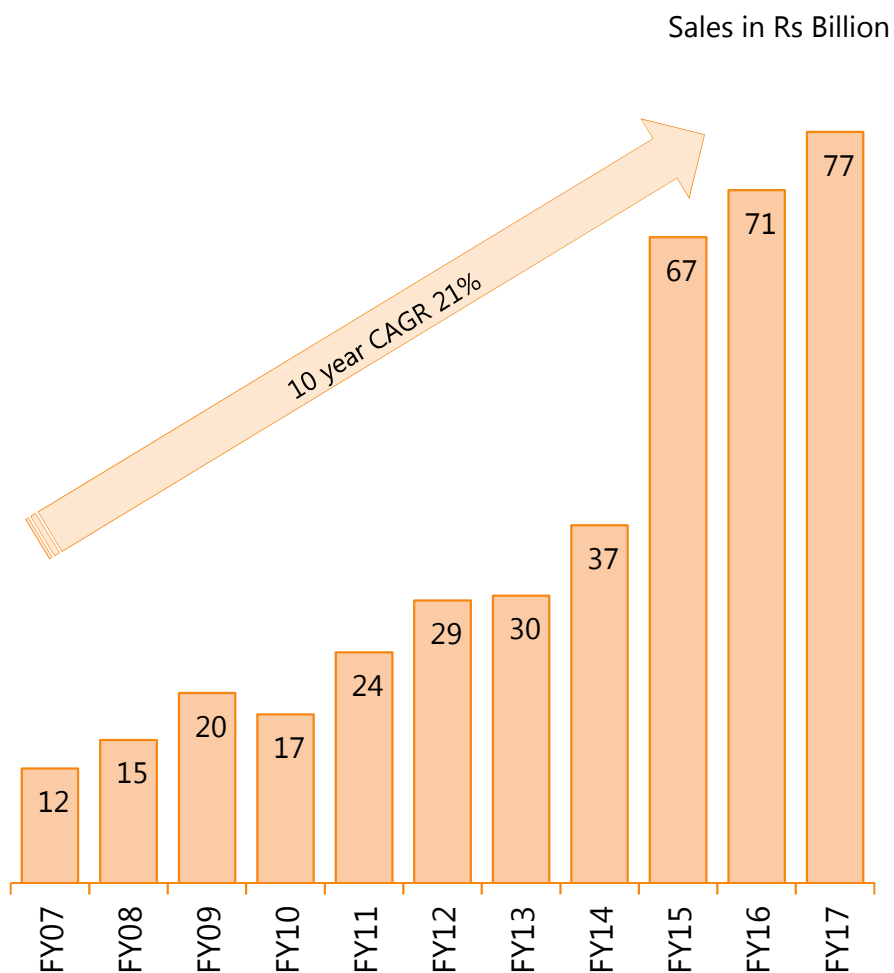
# Largest Pharma Company in India



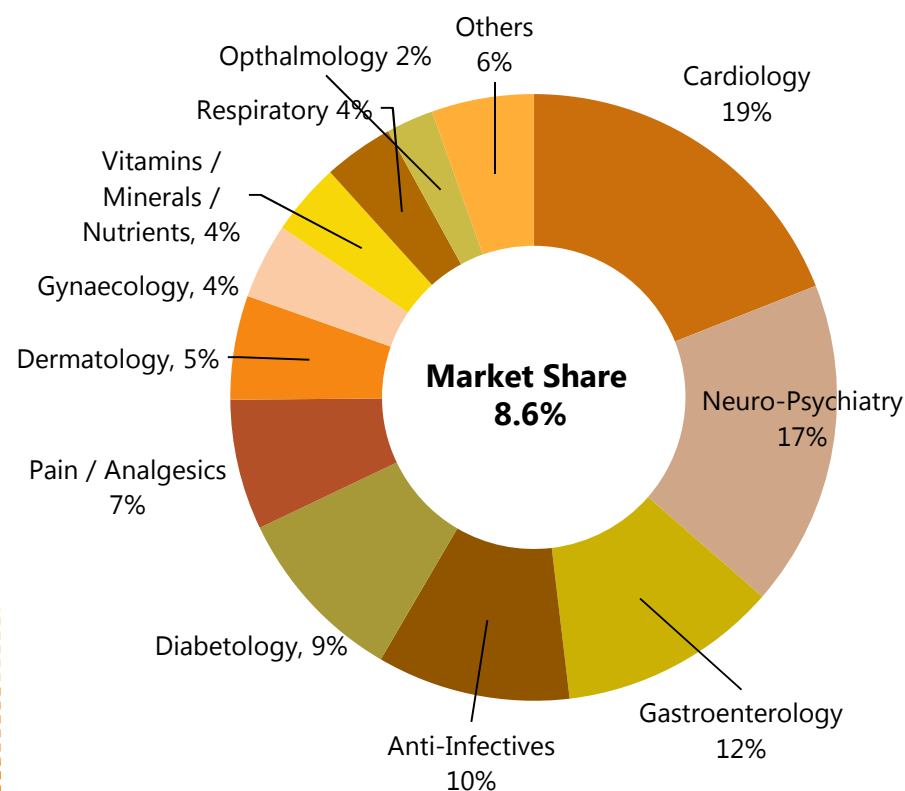
Source: AIOCD AWACS MAT June 2017 data converted at average of Rs. 64.47/US\$

# 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 – June '17

# 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 2.4% in 2000 to 8.1% in 2016 (IMS Data for Dec'16)

\* Does not exclude overlaps

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

Year -2000	%	Year -2005	%	Year -2010	%	Year -2015	%	Year -2016	%
Sun Pharma	2.4	Sun Pharma	3.3	Sun Pharma	3.7	Sun Pharma	8.1	Sun Pharma	8.1
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	3.3
Cadila	3.8	Cadila	3.7	Cadila	3.7	Cadila	3.4	Cadila	3.2
DRL	2.6	DRL	2.3	DRL	2.3	DRL	2.4	DRL	2.3
Torrent	1.8	Torrent	1.9	Torrent	2.0	Torrent	2.4	Torrent	2.3
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	1.5
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	Unichem	1.1



# Leadership in key therapeutic areas\*

Number 1 Ranking with 11 Doctor Categories\*

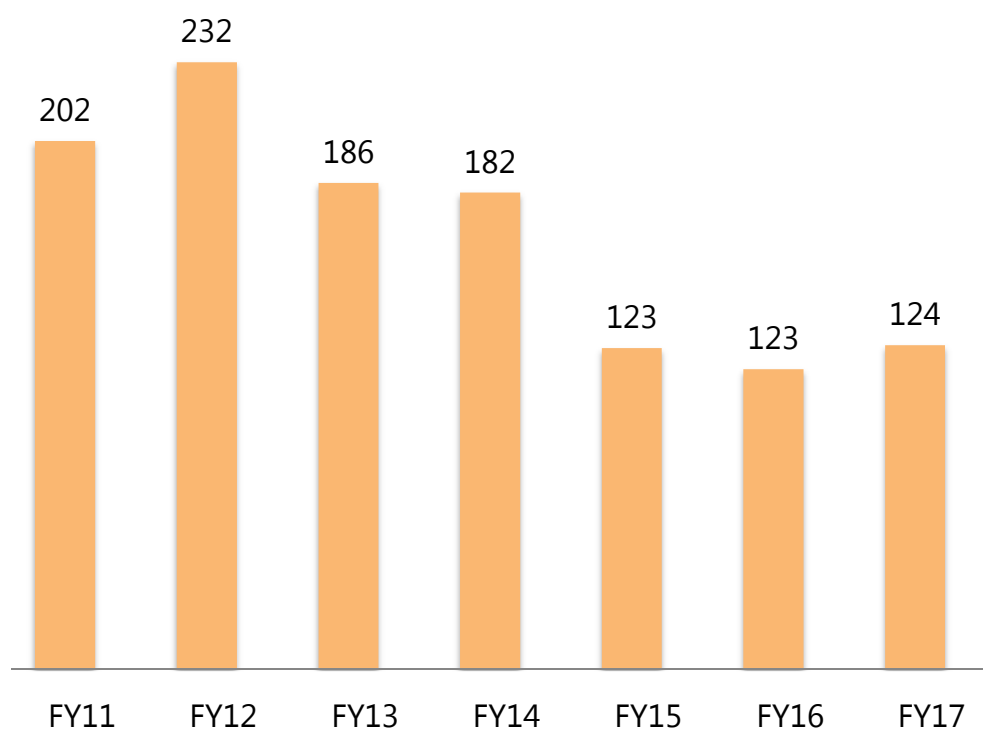
Specialist	Prescription Ranking			
	June '14	June '15	June '16	June '17
Psychiatrists	1	1	1	1
Neurologists	1	1	1	1
Cardiologists	1	1	1	1
Orthopaedic	1	1	1	1
Gastroenterologists	1	1	1	1
Nephrologists	1	1	1	1
Diabetologists	2	1	1	1
Consulting Physicians	5	1	1	1
Dermatologists	6	1	1	1
Urologists	10	1	1	1
Oncologists	8	1	1	1
Ophthalmologists	1	1	1	2
Chest Physicians	4	1	2	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)



■ Sales Per Representative (USD '000)

### Field Force Productivity

Sun  
Pharma

• USD 123,751 / MR

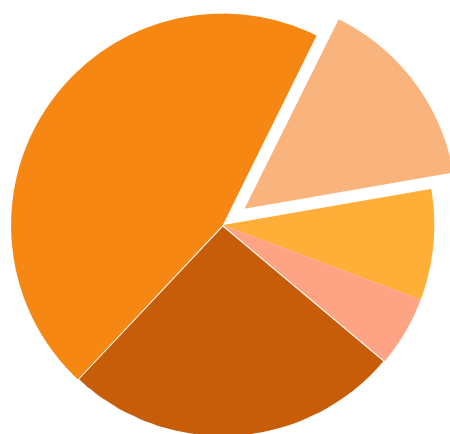
Industry  
Average\*

• USD 89,972 / MR

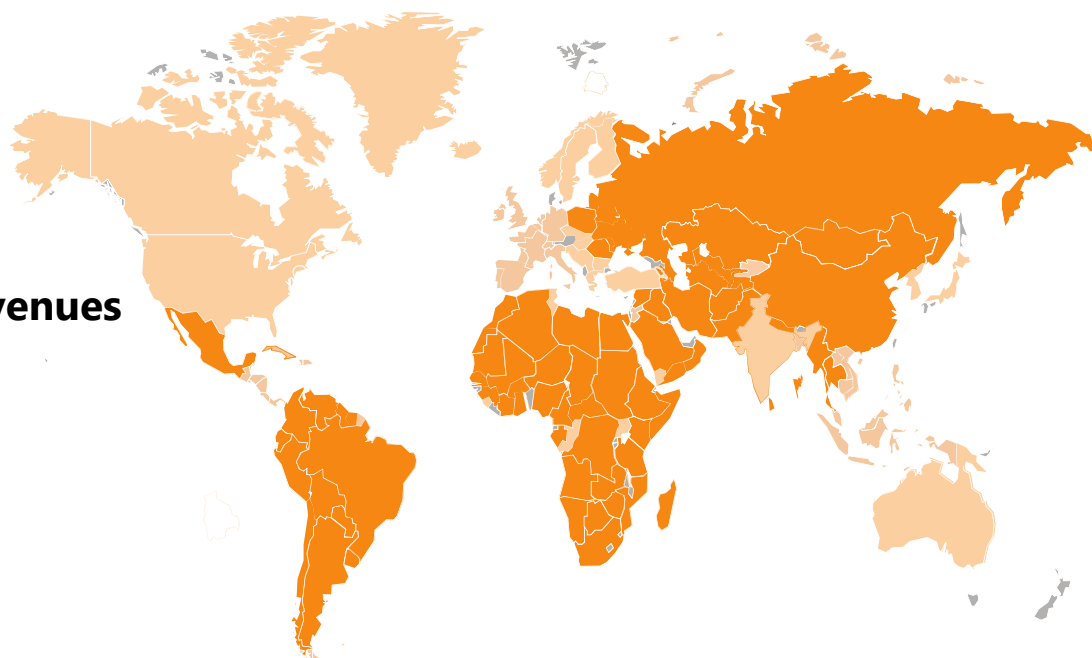
\* Based on brokerage reports

- 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



**15% of Revenues**

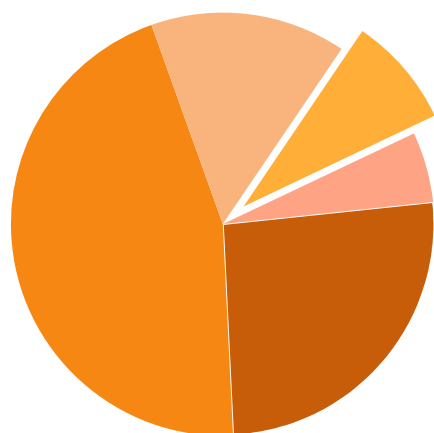


# Emerging Markets Business at a glance

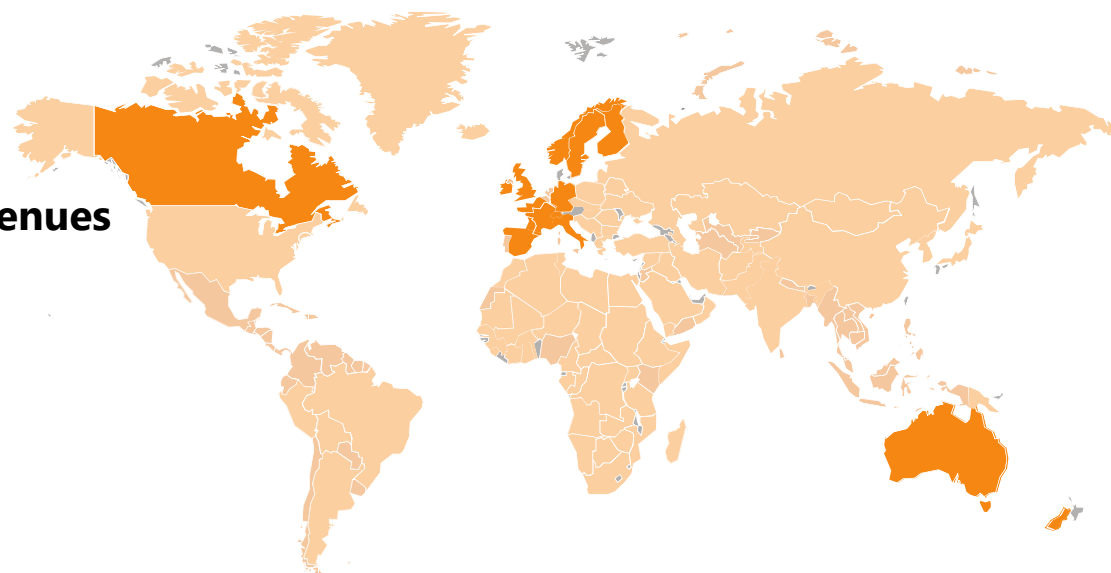
## Largest Indian Company in Emerging Markets

Global footprint	<ul style="list-style-type: none"><li>• Presence in over 100 markets</li></ul>
Focus Markets	<ul style="list-style-type: none"><li>• Brazil, Mexico, Russia, Romania, South Africa and complementary &amp; affiliated markets</li></ul>
Product Portfolio	<ul style="list-style-type: none"><li>• Extensive basket of branded products</li></ul>
Customer Focus	<ul style="list-style-type: none"><li>• Strong relationships with doctors and medical practitioners</li></ul>
Sales Force	<ul style="list-style-type: none"><li>• Approximately 2,300 Sales Representatives</li></ul>
Opportunity	<ul style="list-style-type: none"><li>• To cross-sell products between Sun Pharma and Ranbaxy marketing infrastructure</li></ul>
Local Manufacturing	<ul style="list-style-type: none"><li>• Across 9 countries</li></ul>
Russia Acquisition	<ul style="list-style-type: none"><li>• Acquired Biosintez to enhance presence in Russian market in Nov' 16 – Gives access to local manufacturing facility.</li></ul>

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



**9% 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 Entry

- Acquired 14 established prescription brands from Novartis in March'16

# 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

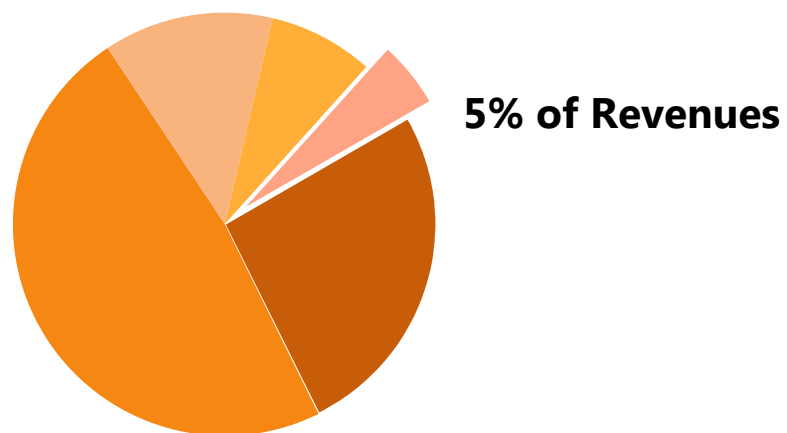
- Promoted through dedicated sales force in each market

### Strong Positioning

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



# Active Pharmaceutical Ingredients (API) Business



# 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

- 289 DMF/CEP approvals to date
- 430 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

### Opiates Business

- Acquired GSK's Opiates business in Australia in Sept'15

# Research & Development



# Research & Development



Cumulative R&D Spend of USD 1.6 billion to date

## R&D Spend

- R&D spend at 7.6% of Net Sales for FY17
- 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

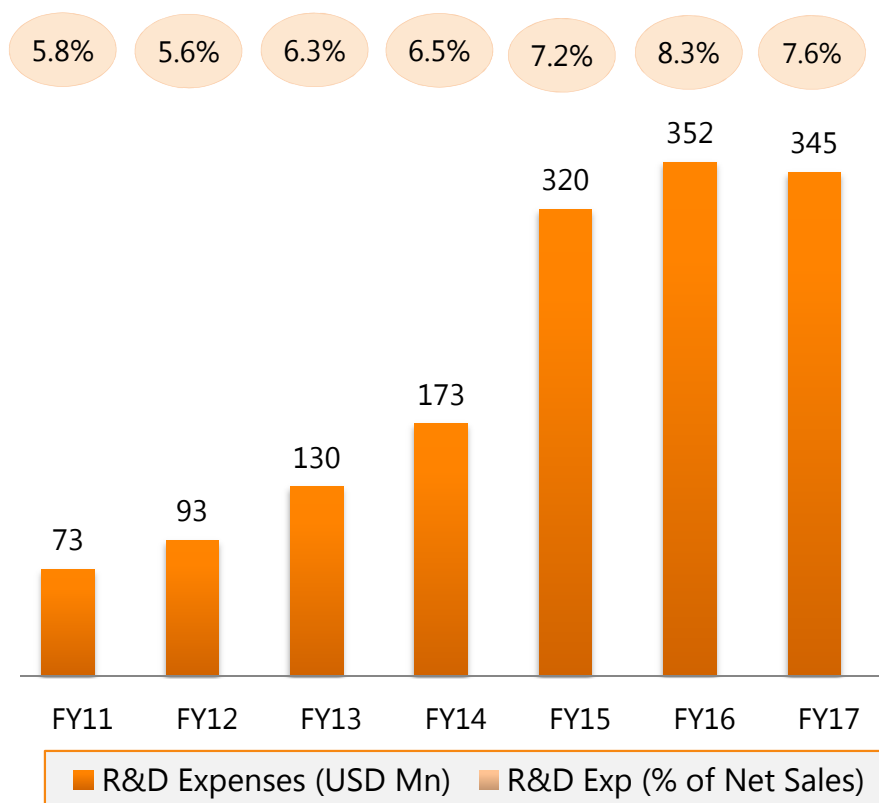
- Strong team of intellectual property experts supporting R&D (internal and external lawyers)

## Focus

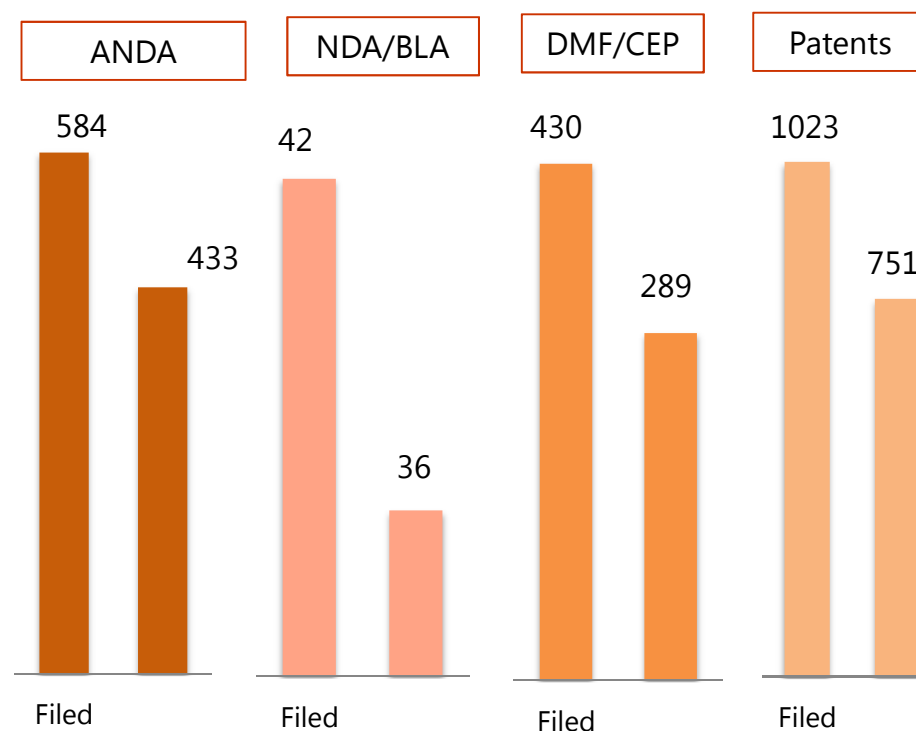
- Developing non infringing formulations and development of specialty/complex products

# R&D Investments

## R&D Expenditure



## Filings and Approvals



As of June 30, 2017



# Global Manufacturing Presence



# Global Manufacturing Presence



## World Class Manufacturing Infrastructure

### Extensive Global Footprint

- 41 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

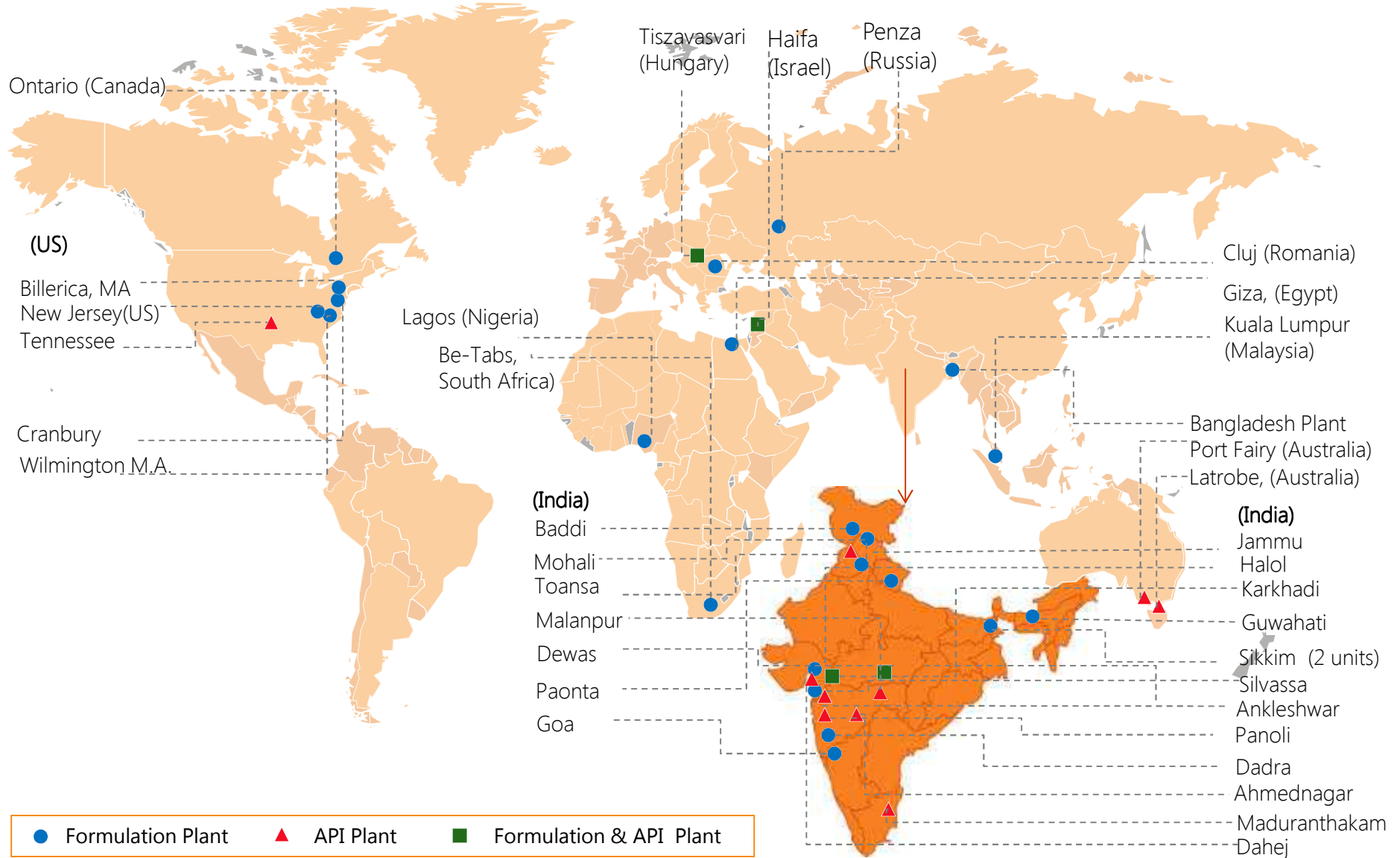
### High Quality

- 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



## 27 Finished dosage manufacturing sites

- India : 13, US : 4
- 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 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. 1,207 billion / US\$ 18 billion

( All Figures in USD. Mn )

	FY13	YoY	FY14	YoY	FY15	YoY	FY16	YoY	FY17	YoY
<b>P&amp;L Summary</b>										
Sales	2,067	24%	2,649	28%	4,457	68%	4,262	-4%	4,512	6%
Gross Profit	1,685	27%	2,189	30%	3,354	53%	3,295	-2%	3,300	0%
EBITDA	903	33%	1,178	30%	1,263	7%	1,155	-9%	1,308	13%
Net Profit	549	-1%	520	-5%	743	43%	695	-6%	1,038	49%
Net Profit (Adjusted)	656 #	18%	937 #	43%	781 #	-17%	799 #	2%	1,038	30%
R&D Spend	130	39%	172	33%	320	85%	352	10%	345	-2%
<b>BS Summary</b>										
	Mar'13	YoY	Mar'14	YoY	Mar'15	YoY	Mar'16	YoY	Mar'17	YoY
Shareholders Funds	2,762	15%	3,082	12%	4,094	33%	4,972	21%	5,650	14%
Loan Funds	37	-30%	414		1,437	247%	1,254	-13%	1,248	0%
Net Fixed Assets	935	46%	969	4%	1,761	82%	1,871	6%	2,304	23%
Investments	444	3%	464	4%	434	-6%	221	-49%	106	-52%
Cash and Bank Balances	748	14%	1,263	69%	1,757	39%	1,987	13%	2,335	17%
Inventory	475	16%	520	9%	906	74%	968	7%	1,054	9%
Sundry Debtors	444	9%	366	-18%	816	123%	1,022	25%	1,111	9%
Sundry Creditors	195	0%	221	13%	525	138%	540	3%	678	25%

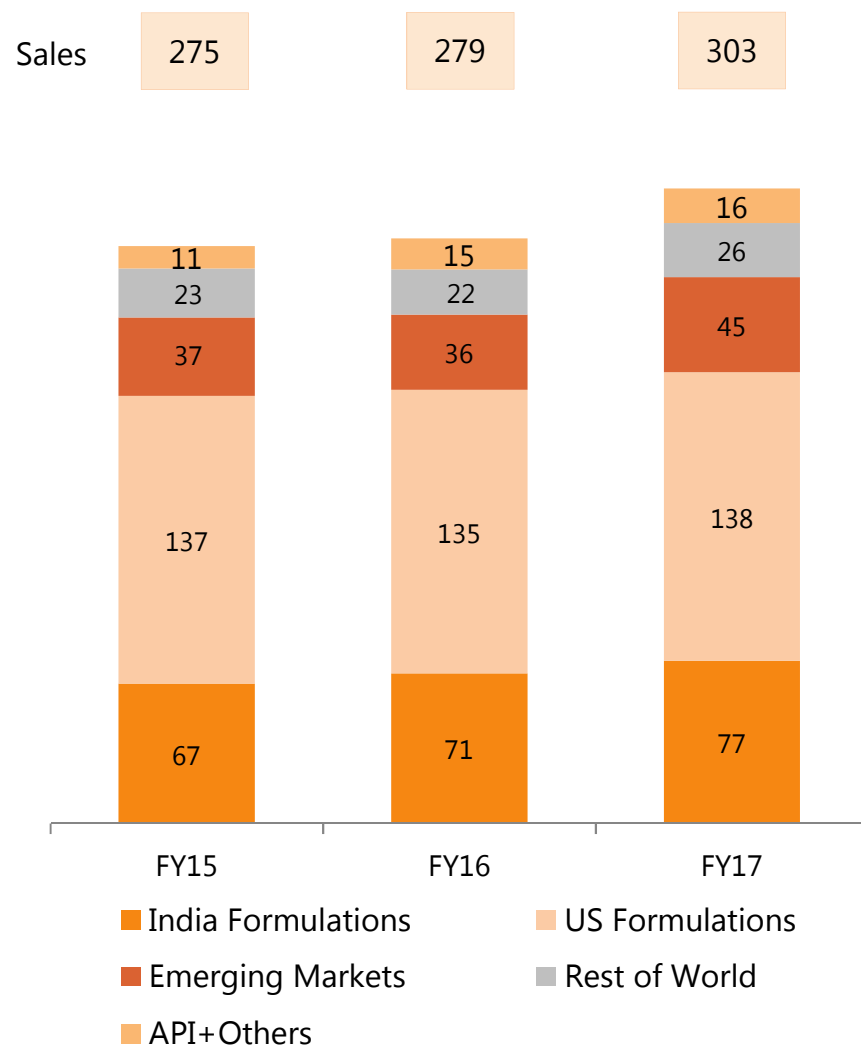
Exchange Rate :

For Market Capitalisation US\$1 = Rs 65.35 (As on 29 Sept 2017)

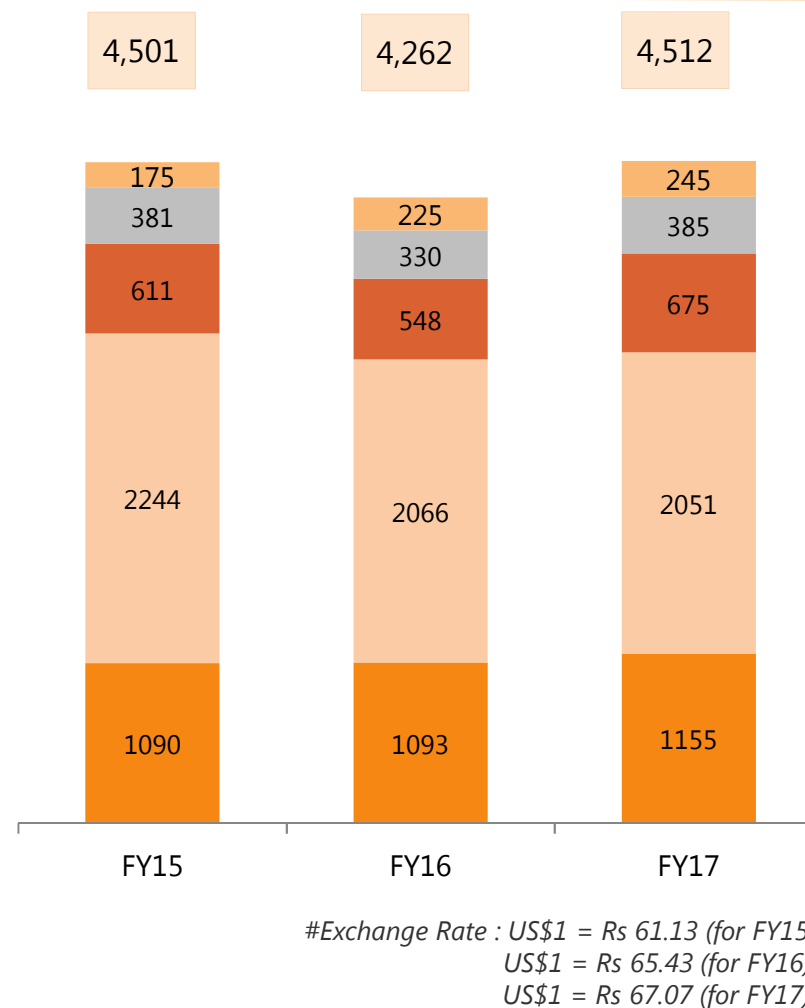
# Adjusted for USD 107 Mn provision related to generic Protonix settlement for the year 2012-13 and Adjusted for USD 417 Mn provision related to generic Protonix settlement for the year 2013-14 and Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15 and Adjusted for USD 104 Mn for settlement provision for Texas Medicaid Program litigation for 2015-16

# Sales Break-up

## In INR Billion



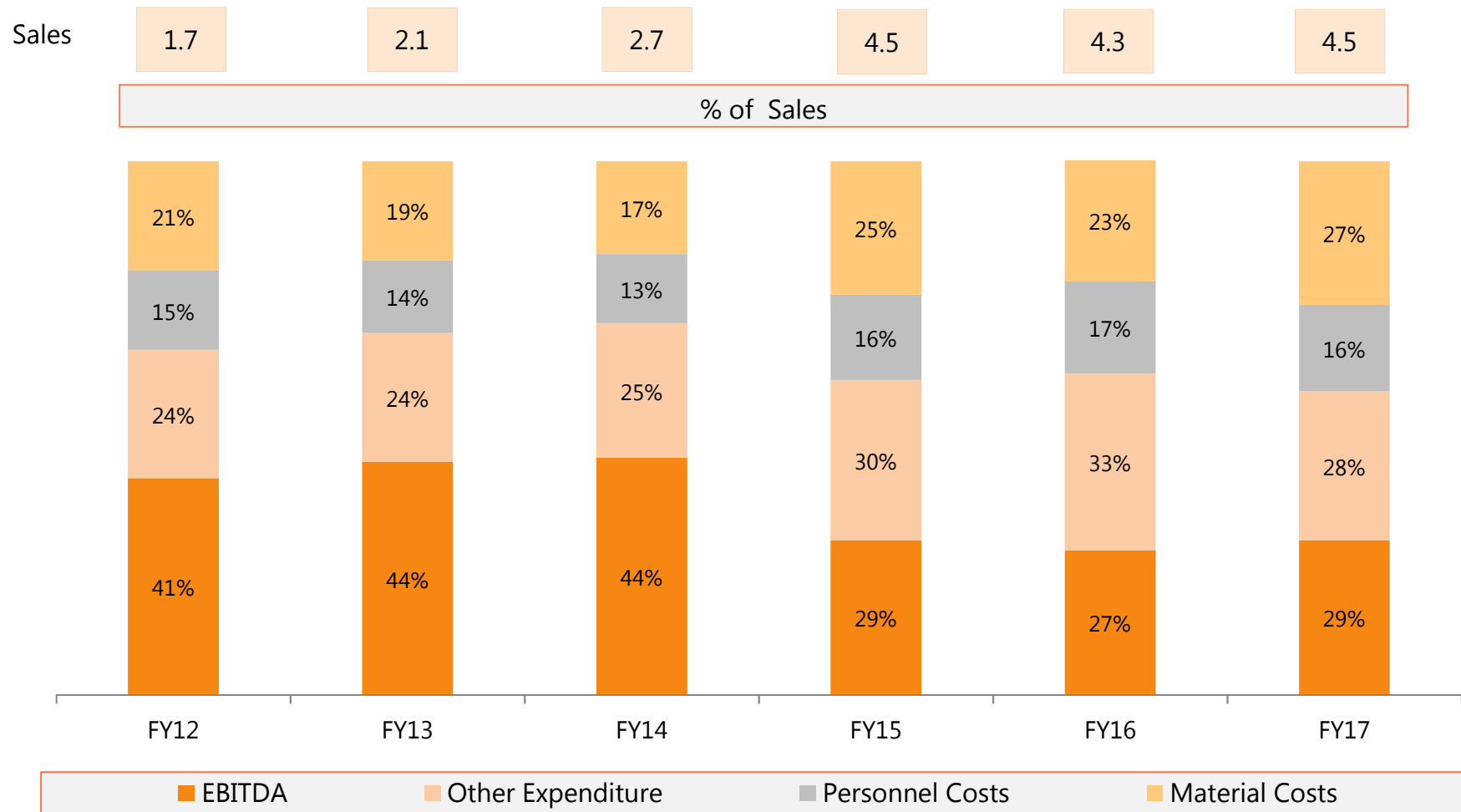
## In USD Million



# EBITDA Trend



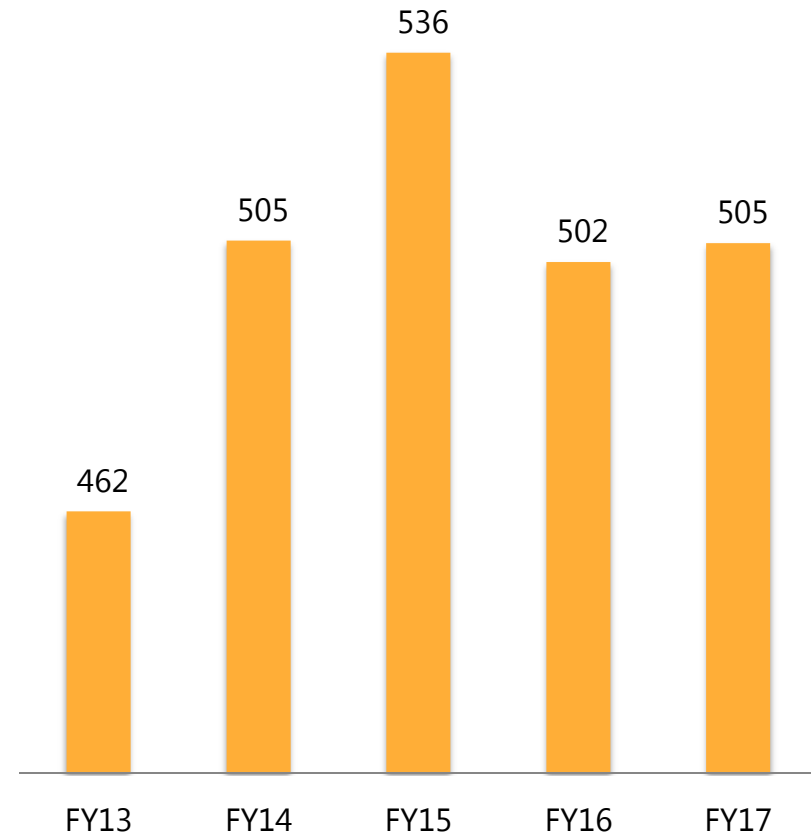
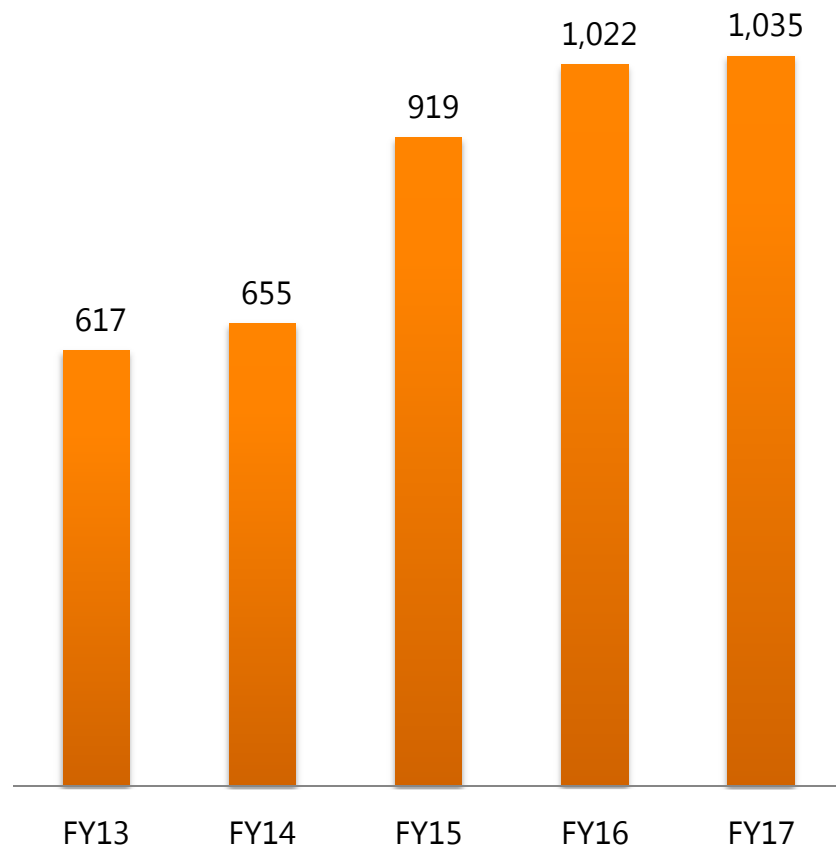
## In USD Billion



# Cash Flow



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



All numbers above exclude Ranbaxy financials



# Financial Ratios



	FY13	FY14	FY15	FY16	FY17
<b>Growth (%)</b>					
Sales	23.6	28.1	68.2	(4.4)	5.9
Gross Profit	26.7	29.9	53.2	(1.8)	0.2
EBITDA	32.9	30.5	7.2	(8.5)	13.2
Net Profit	(1.1)	(5.2)	42.8	(6.4)	49.5
Net Profit (Adjusted)	18.2 #	42.8 #	(16.6) #	2.3 #	29.9
<b>Margins (%)</b>					
Gross Margin	81.5	82.6	75.3	77.3	73.1
EBITDA Margin (%)	43.7	44.5	28.3	27.1	29.0
Net Margin	26.5	19.6	16.7	16.3	23.0
Net Margin (Adjusted)	31.7 #	35.4 #	17.5 #	18.8 #	23.0
<b>Return (%)</b>					
ROCE	26.7	26.9	14.7	14.8	16.1
ROE	25.7	30.9	18.5	17.6	19.8
<b>Others</b>					
Debt / Equity	0.01	0.13	0.35	0.25	0.22
Fully Diluted (USD) EPS	0.3	0.3	0.3	0.3	0.4
Fully Diluted EPS (USD) (Adjusted)	0.3 #	0.5 #	0.3 #	0.3 #	0.4
<b>R&amp;D Spend % of Net Sales</b>					
Revenue	5.9	6.2	6.6	7.9	7.1
Capital	0.4	0.3	0.4	0.3	0.6

# 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 2015-16

# Key Financials Q1 FY18



( All Figures in USD Mn )

	Q1 FY18	Q1 FY17	CHANGE	FY17
<b>Sales</b>	<b>957</b>	<b>1,197</b>	<b>-20%</b>	<b>4,512</b>
Gross Profit	696	921	-24%	3,300
Gross Margin	73%	77%		73%
EBITDA	163	399	-59%	1,308
EBITDA Margin	17%	33%		29%
Net Profit	-66	304	-122%	1,038
Net margin	-7%	25%		23%
<b>Net Profit (Adjusted)</b>	<b>82</b>	<b>304</b>	<b>-73%</b>	<b>1,038</b>
Net margin (Adjusted)	9%	25%		23%
R&D	81	79	2%	345
R&D as % of Net Sales	8.5%	6.6%		7.6%
EPS (Diluted) IN \$	(0.0)	0.1	-122%	0.4
EPS (Diluted) IN \$ (Adjusted)	0.0	0.1	-73%	0.4

All Financials are as per IND-AS

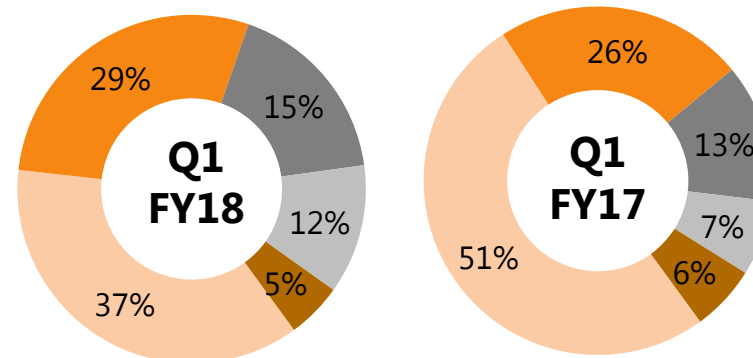
# Sales Breakup Q1 FY18



( All Figures in USD. Mn )

	Q1 FY18	Q1 FY17	CHANGE	FY17
<b>Formulation</b>				
India	273	275	-1%	1,155
US	351	603	-42%	2,051
Emerging Markets	168	153	10%	675
ROW	115	83	38%	385
<i>Sub-total</i>	<b>907</b>	<b>1,114</b>	<b>-19%</b>	<b>4,267</b>
Bulk	48	70	-31%	238
Others	1	3	-46%	7
<b>Gross Sales</b>	<b>957</b>	<b>1,187</b>	<b>-19%</b>	<b>4,512</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, 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
- 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
- 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
- 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

# FY18 Guidance

## Consolidated Revenues

- May decline by single digit over FY17

## EBITDA

- EBITDA Margin approximately 20%-22% over the remaining period

## R&D Investments

- Approximately 9%-10% 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



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

US	<ul style="list-style-type: none"><li>• Ranked 4<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>• 41 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 2016



# Thank You!

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