



# Creating Lasting Value

Investor Presentation – September 2015



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

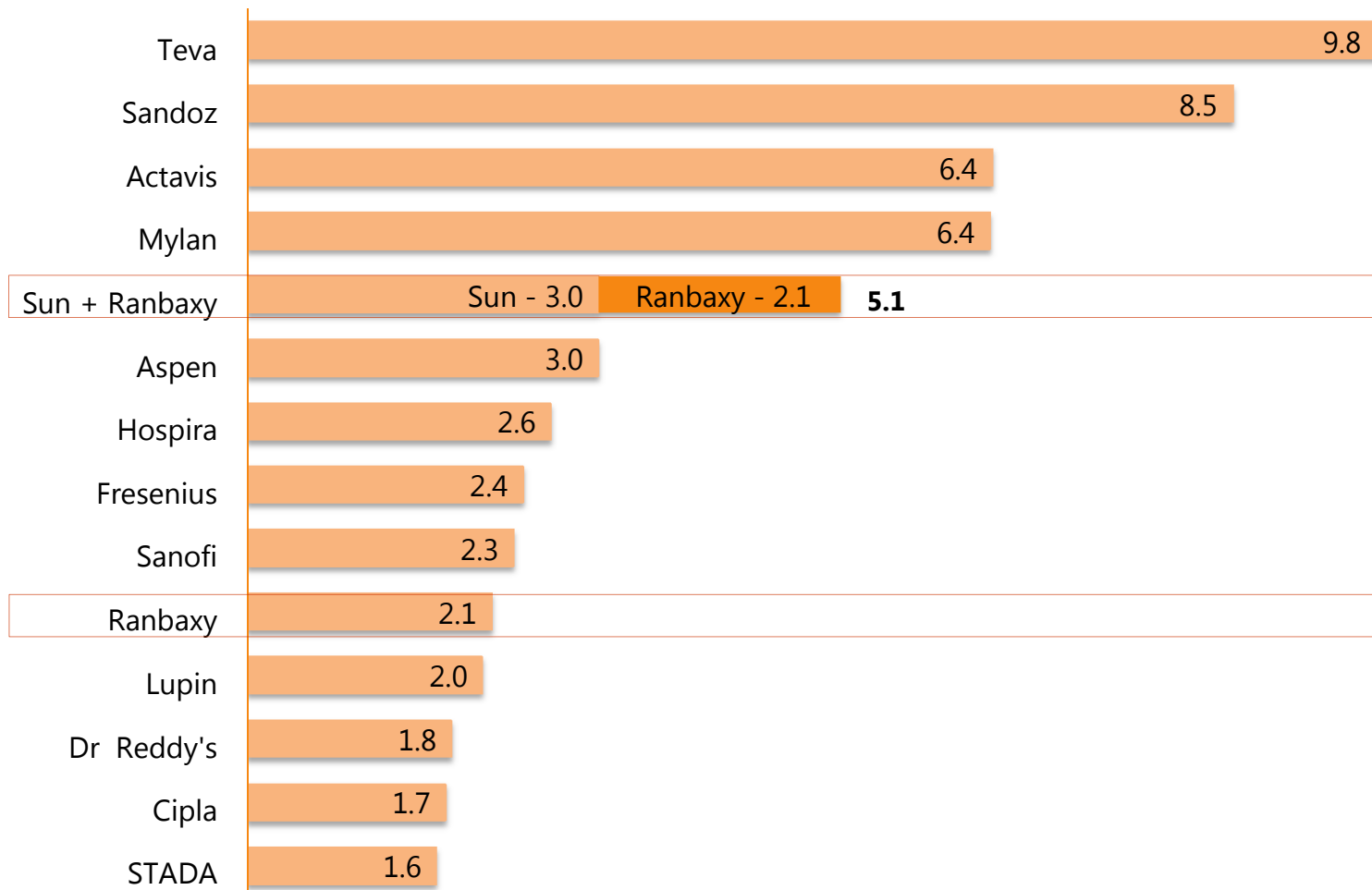
US	<ul style="list-style-type: none"><li>• Ranked 5<sup>th</sup> in US* / Largest Indian Pharma Company in US</li></ul>
India	<ul style="list-style-type: none"><li>• No. 1 Pharma Company in India</li></ul>
Emerging Markets	<ul style="list-style-type: none"><li>• Largest Indian Pharma Company in Emerging 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>• 50 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 2014

# World's 5th Largest Specialty Generic Pharma Co



2014 Worldwide Generic Sales (US\$ in billions)



Source: Evaluate Pharma, Company filings

# Sun Pharma today

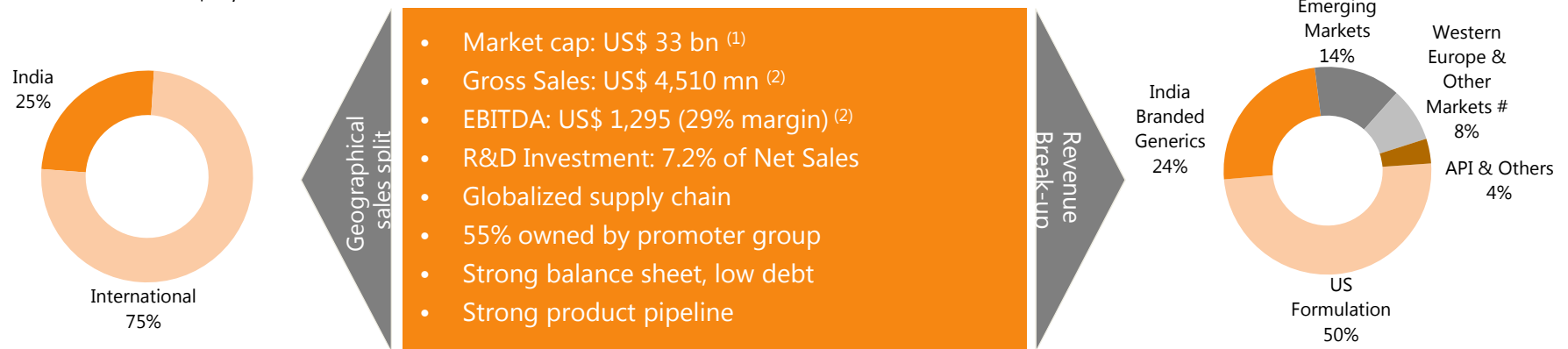


## US Formulations

- 5<sup>th</sup> largest generics company in US\* with one of the largest ANDAs pipeline (159 ANDAs awaiting approval)
- Presence in generics, Specialty and branded segments with more than 440 approved products
- FY15 sales: US\$ 2,244 mn <sup>(2)</sup>

## India Branded Generics

- No.1 ranked with 13 classes of doctor categories
- Leading position in high growth chronic therapies
- Specializes in technically complex products
- FY15 sales: US\$ 1,099 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
- FY15 sales: US\$ 611 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
- FY15 sales: US\$ 381 mn <sup>(2)</sup>

Note:

(1) As of August, 31, 2015 using spot exchange rate of INR /USD = 66.30.

(2) Using average exchange rate for FY15 of INR /USD = 61.13

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

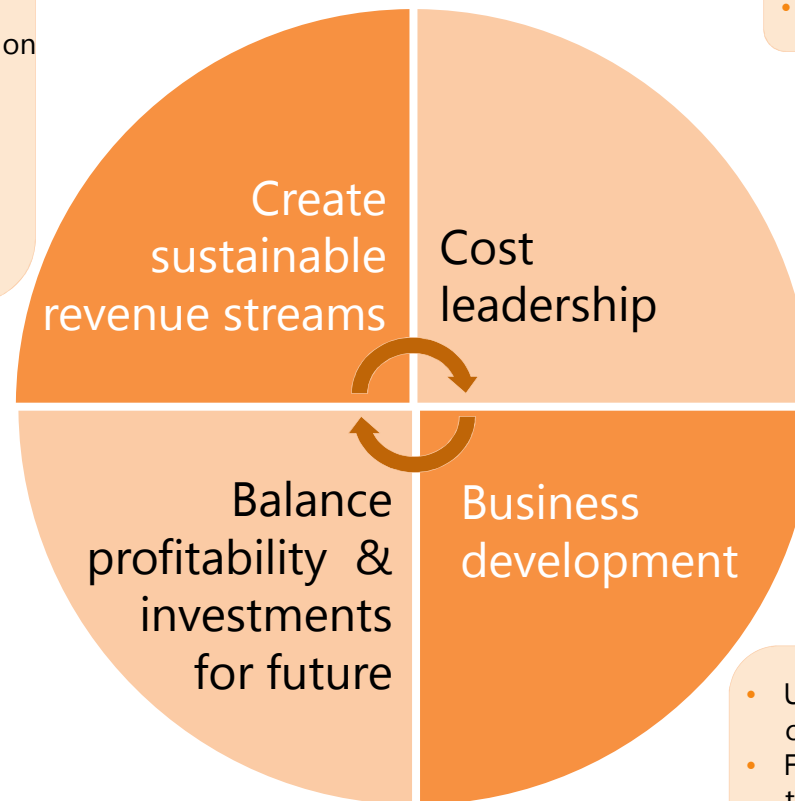
All sales numbers in US\$ for 12 months ended March 31, 2015.

\* Source: Evaluate Pharma for 12 months ended Dec 2014

# 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 MK-3222 (a monoclonal antibody undergoing Phase-III trials targeting IL-23) from MSD for treating chronic plaque psoriasis
- Entered into a joint venture with Intrexon Corporation for developing gene-based therapies for ocular diseases
- Acquired Dusa Pharma in US – Gets access to patented drug-device combination useful for treating Actinic Keratosis, a dermatology ailment

## 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

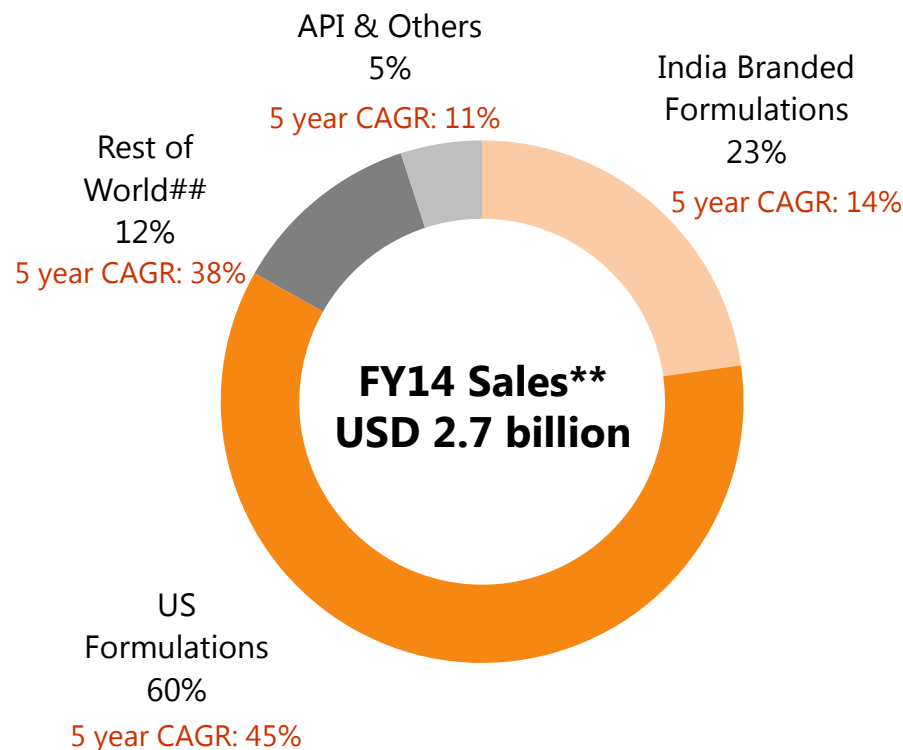
- Firmly established as the no. 1 supplier of generic dermatology products in the US
- Current product offering in US includes many specialty generics across different dosage forms. Future product development targeted at complex generics
- One of the few companies globally to have farm-to-market capabilities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



# Highly Diversified Revenue Base

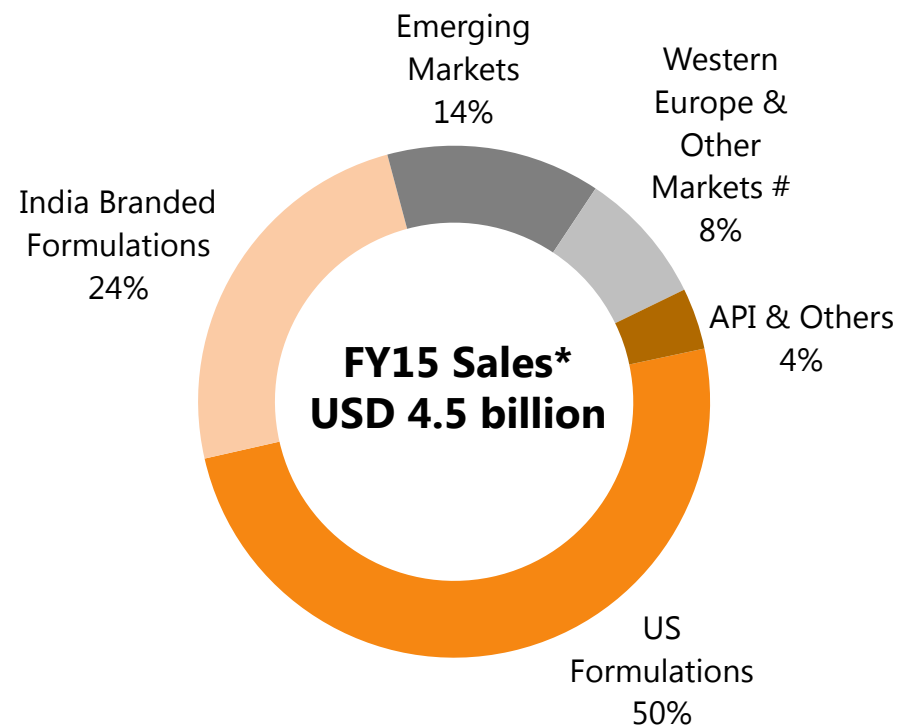


## Sun Pharma (Pre Ranbaxy Acquisition)



\*\* Sales for Sun Pharma (excluding Ranbaxy) for 12 months ended Mar' 14.  
## Includes all formulations sales excluding US and India

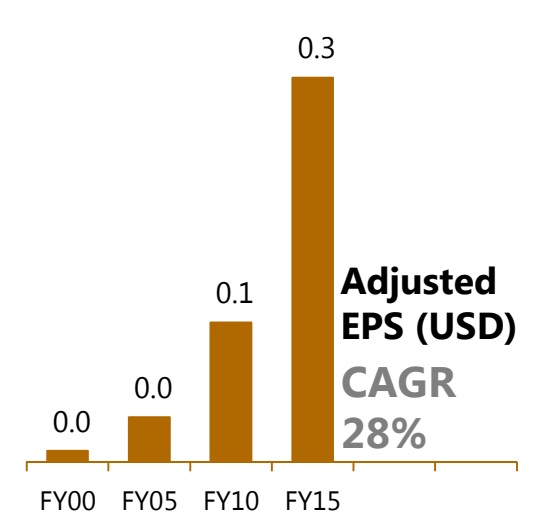
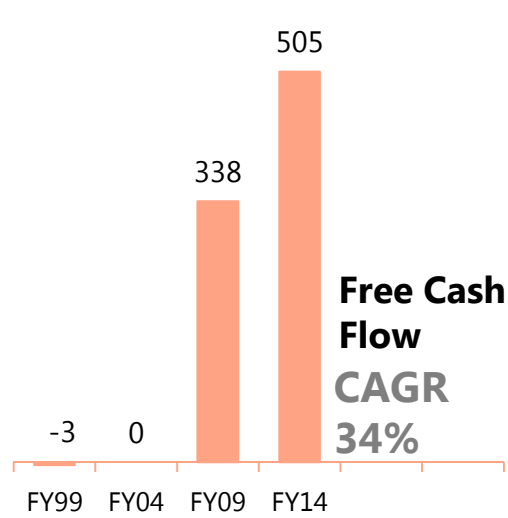
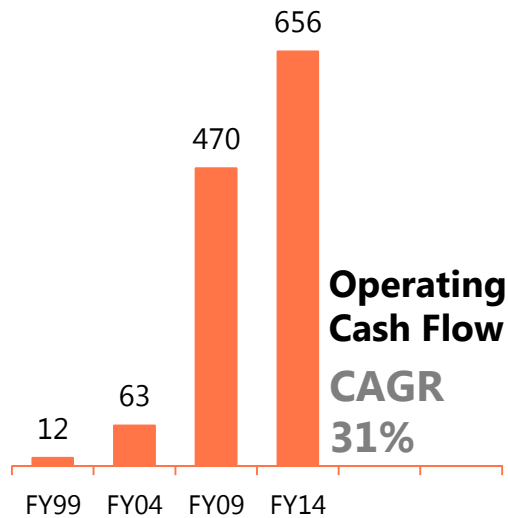
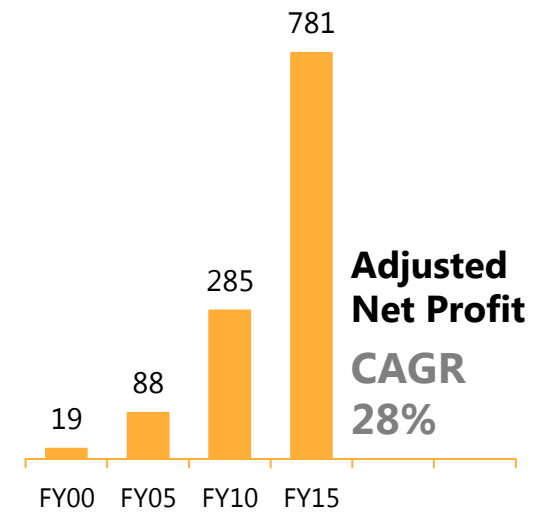
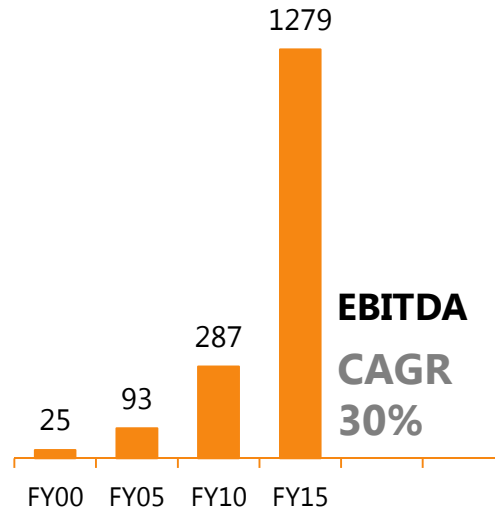
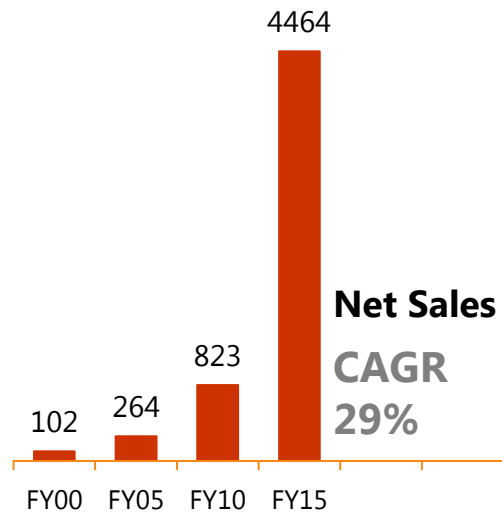
## Sun Pharma (Post Ranbaxy Acquisition)



\* Sales for Sun Pharma (including Ranbaxy) for 12 months ended Mar' 15.  
# Includes Western Europe, Canada, Australia & New Zealand, Japan and other markets.

# Impressive Track Record of Growth

(All Figures in USD Million)

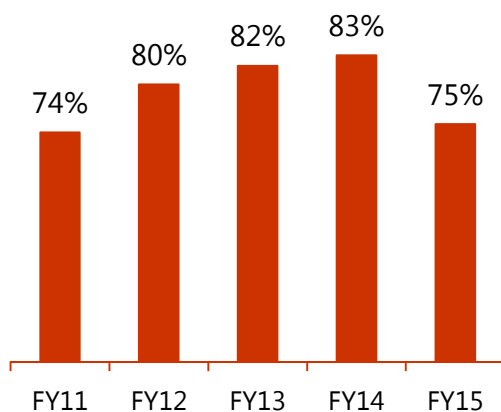


FY15 numbers include the impact of Ranbaxy merger

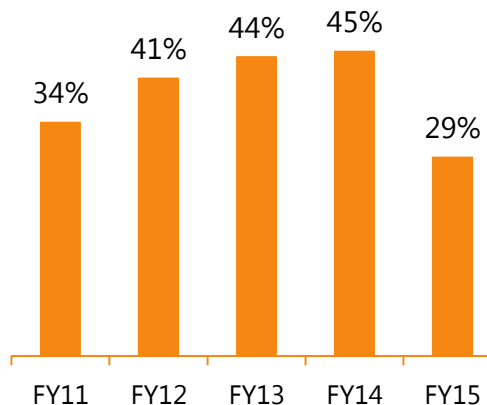
# Consistent profitability and returns



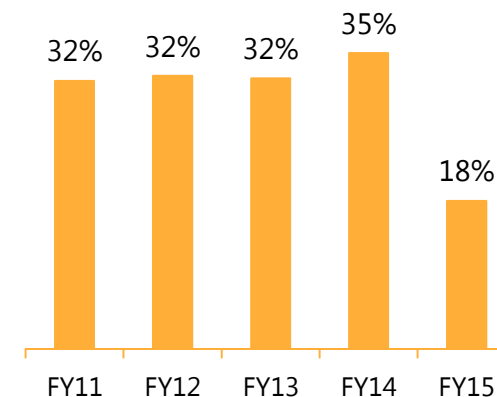
### Gross Margin #



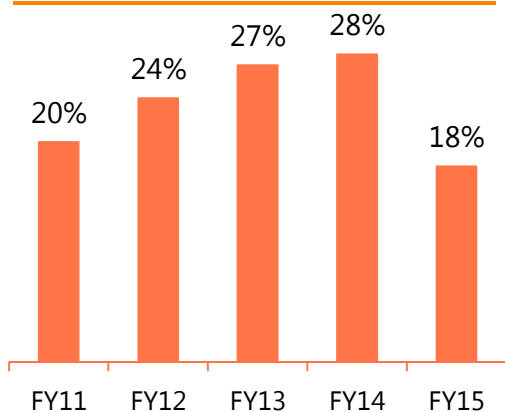
### EBITDA Margin



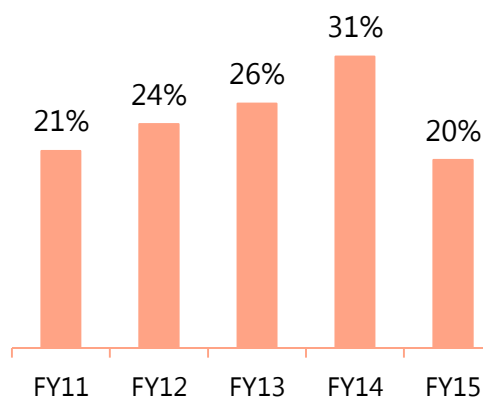
### Net Margin



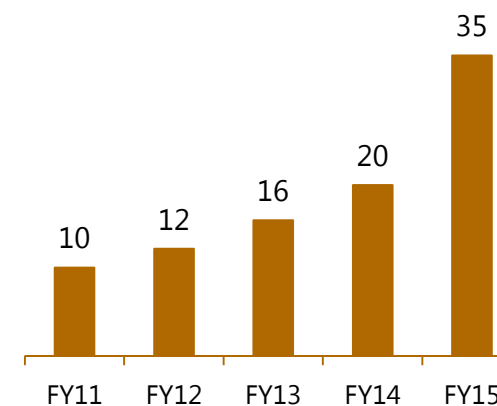
### ROCE



### ROE



### Market Cap (USD Bn as of 31<sup>st</sup> March)



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

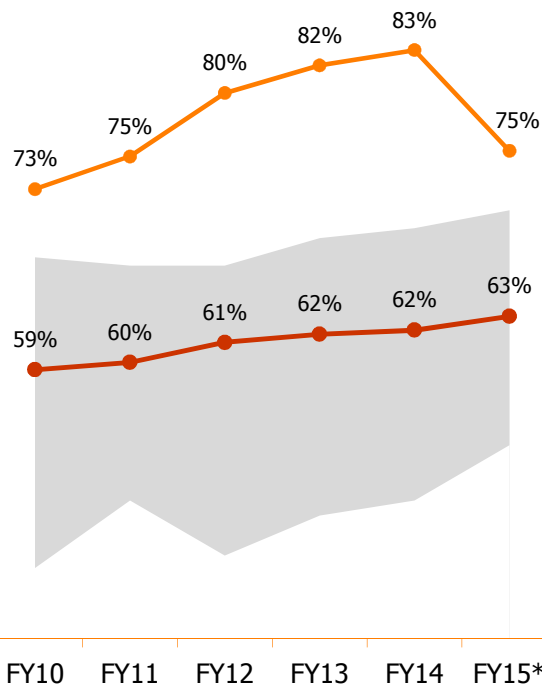
FY15 numbers include the impact of Ranbaxy merger

# Sustained Profitability Vs. Peers

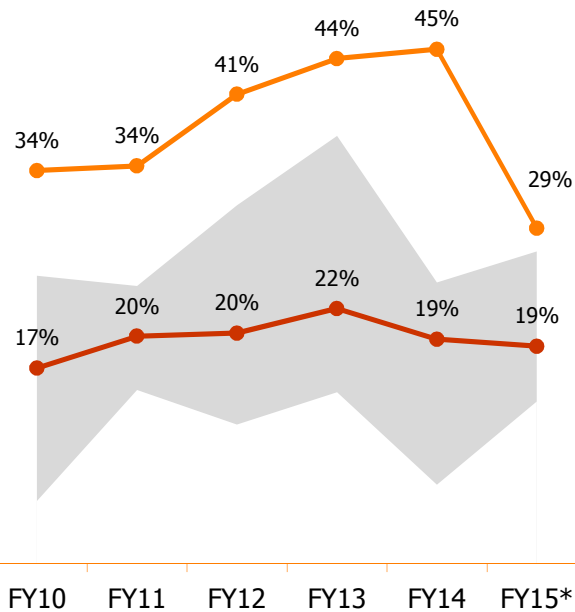
Superior business model

Margins consistently higher than peers#

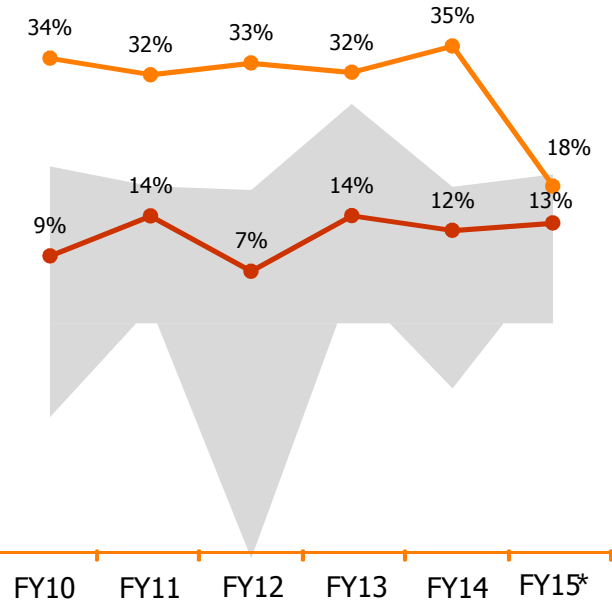
## Gross Margin



## EBITDA Margin



## Net Margin



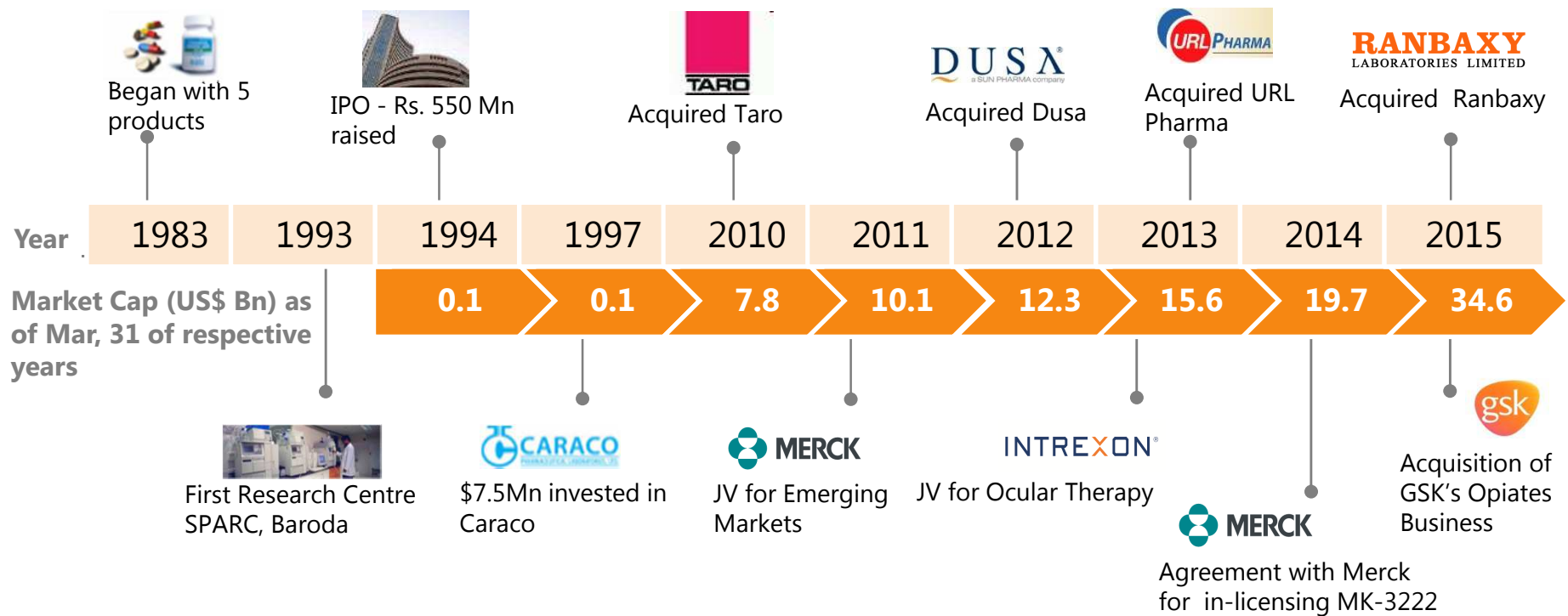
Gross margin= (Net Sales – Material Cost) / Net Sales \* 100

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

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

\* FY15 numbers include the impact of Ranbaxy merger

# Creating Value, Continuously...



## Sun Pharma Today



30,000+ Employees



Invested over USD 1 billion in R&D till date



Part of NSE Nifty & BSE Sensex in India



50 Manufacturing facilities in 6 Continents



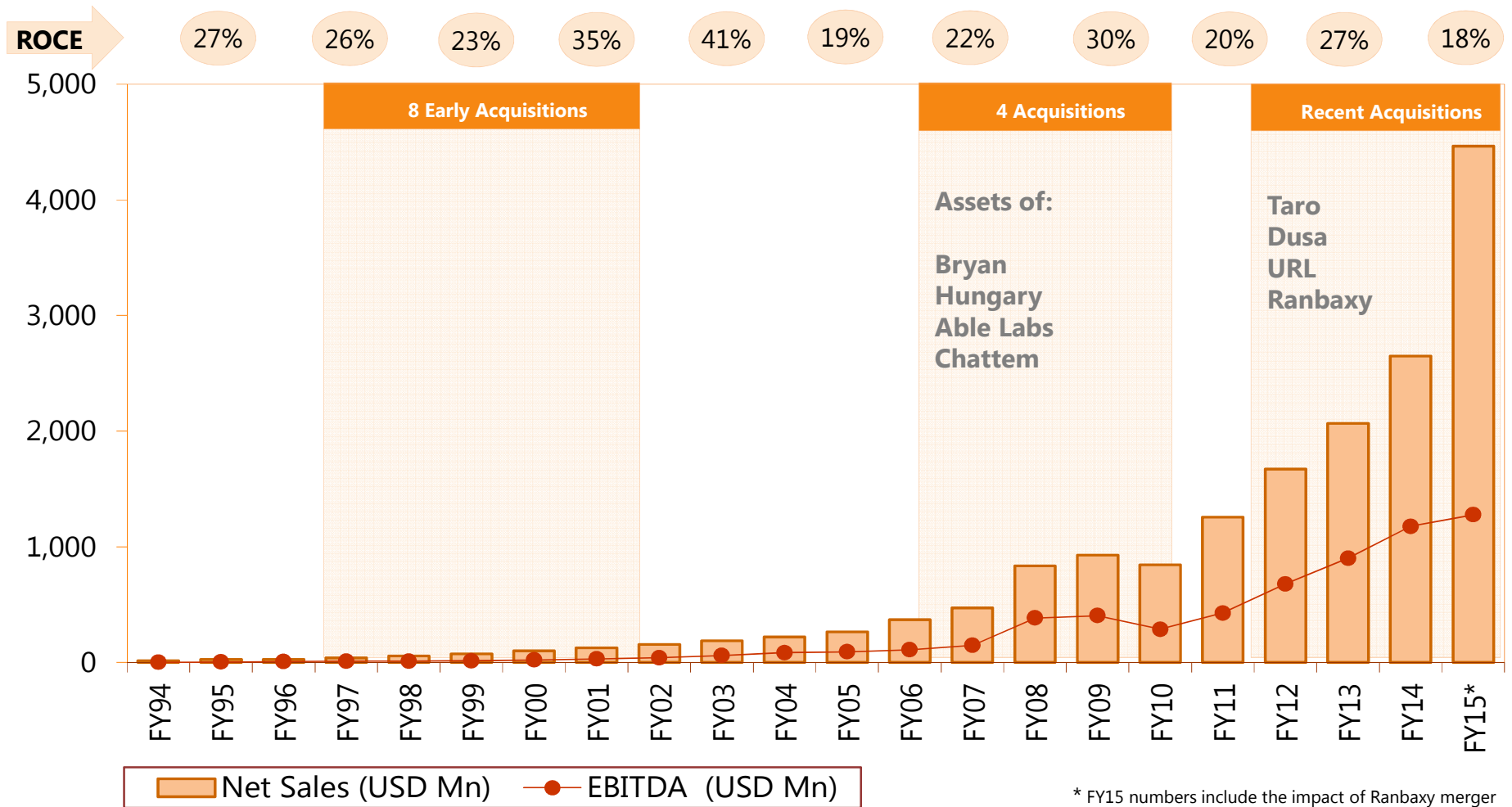
75% of sales from international markets

# Key Deals & Rationale



Year	Deals	Country	Rationale
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 MK-3222 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
2011	Formation of Sun-MSD JV	Emerging Markets	Develop and commercialize technology based combination products
2010	Acquired Taro Pharmaceutical Industries Ltd.	Israel	Access to dermatology and topical product development and manufacturing capabilities
2008	Acquired Chattem Chemicals, Inc.	Tennessee, US	Import registration with DEA, API Plant approved by DEA in Tennessee, US
2005	Assets of Able Labs Formulation plant in Bryan	US	Dosage form plant (NJ, US) and IP Dosage form plant (Ohio, US)
1997	Acquired Caraco	Detroit, US	Entry into US Market

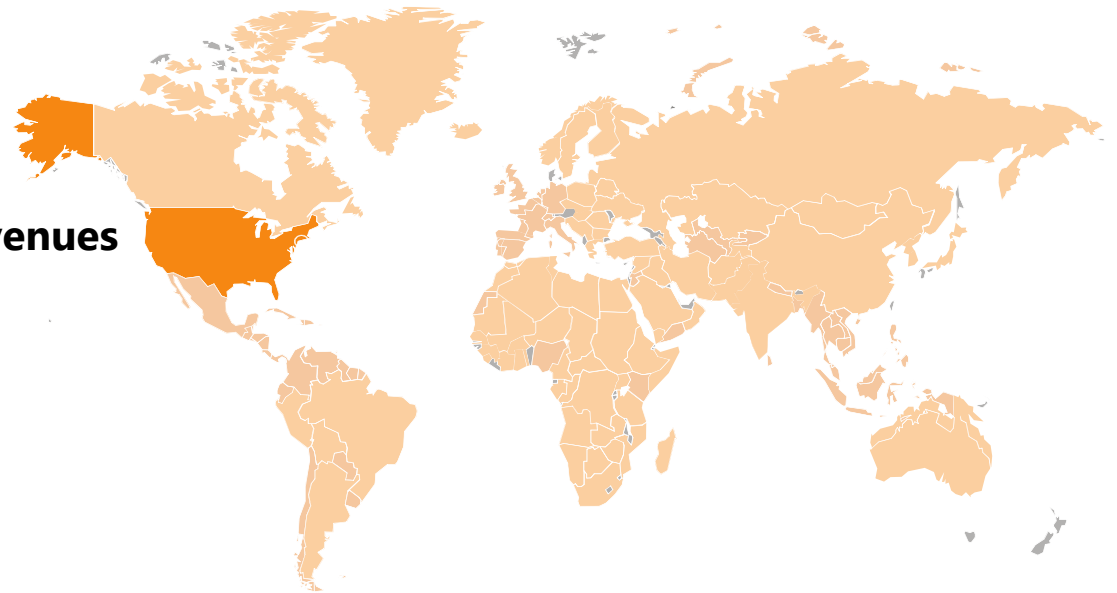
# Successful track record of turning around acquisitions



# US Business



**50% 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 601 ANDAs filed & 442 approved ANDAs across multiple therapies

## Robust Pipeline

- 159 ANDAs pending FDA approval, including a combination of complex generics, FTF opportunities and pure generics

## Market Presence

- Presence in generics, branded & OTC segments

## Flexible Manufacturing

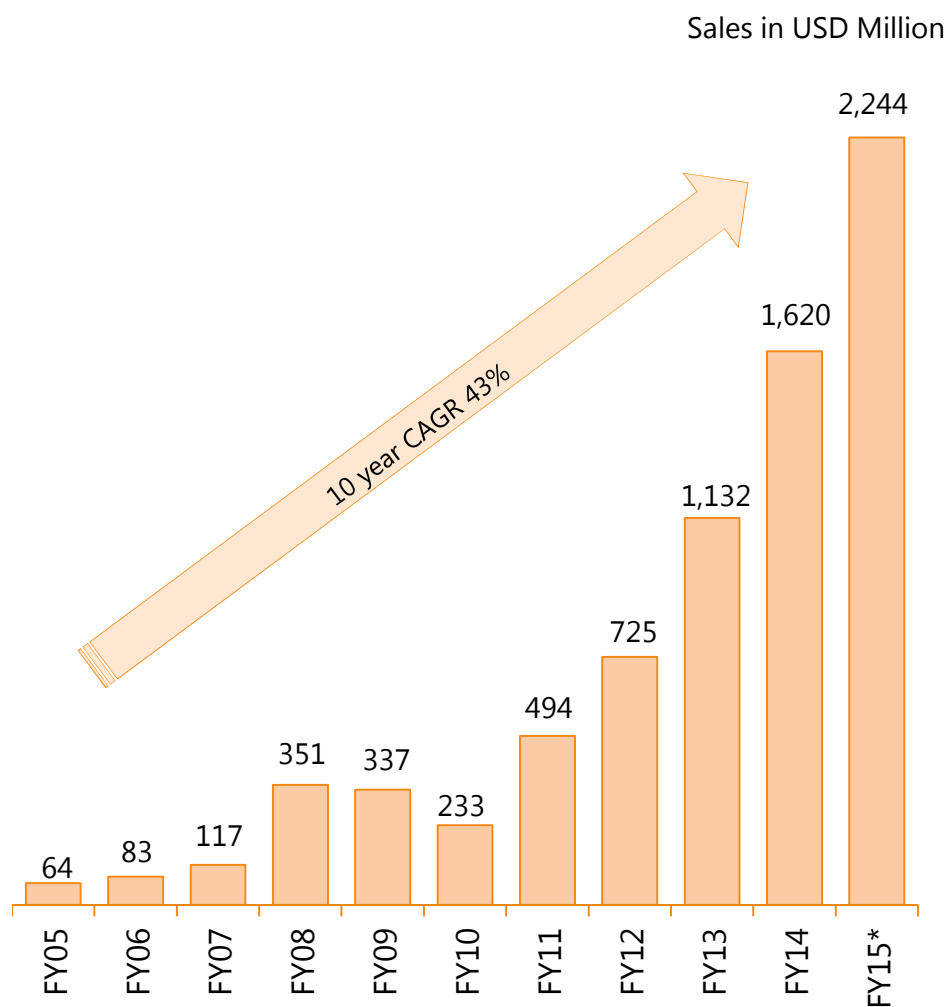
- Integrated manufacturer with flexibility for manufacturing onshore/ offshore

## Dosage Forms

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

\* Source: Evaluate Pharma for 12 months ended Dec 2014

# 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

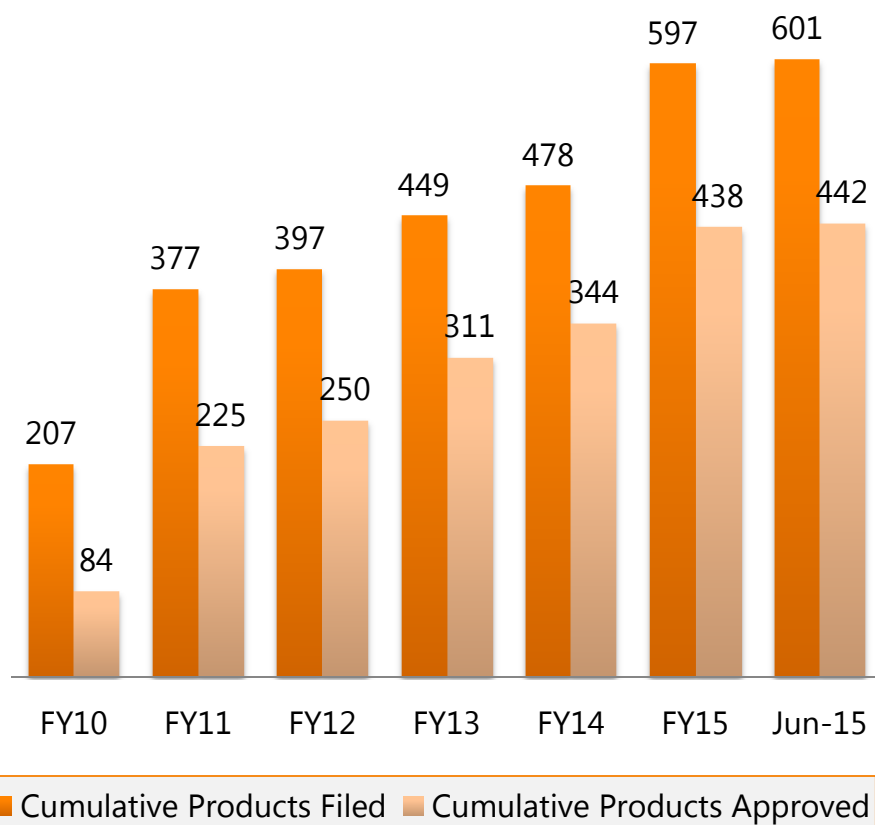
FY05 – FY14 numbers exclude Ranbaxy financials

\* FY15 numbers include the impact of Ranbaxy merger

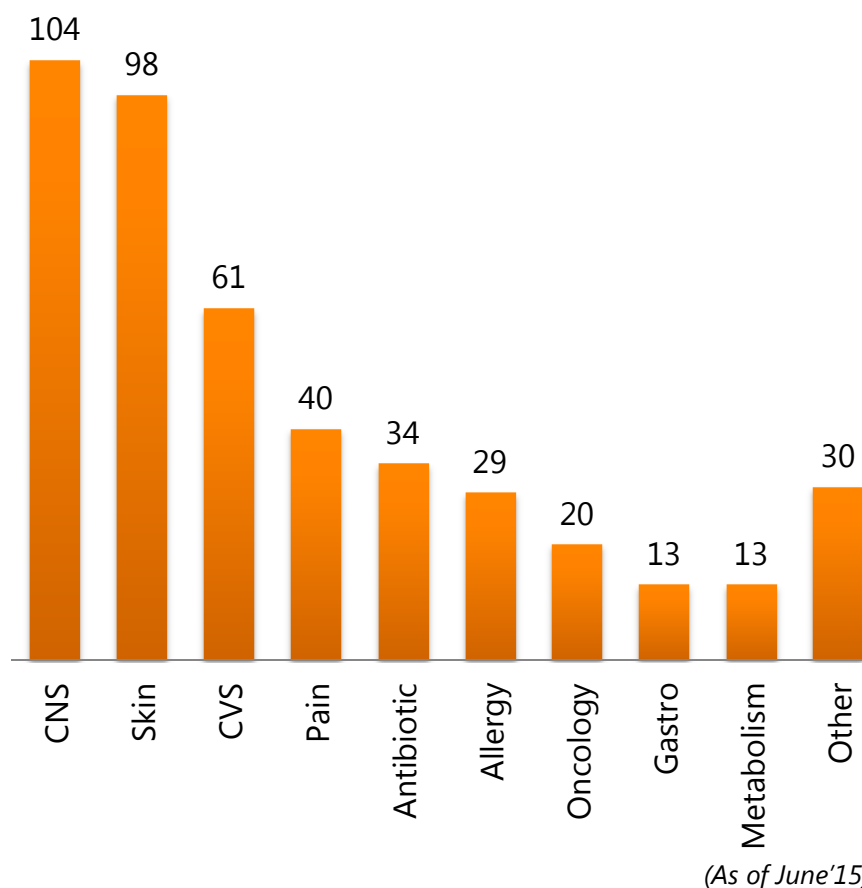
# ANDA Pipeline - Significant ramp up



## ANDAs Filed and Approved

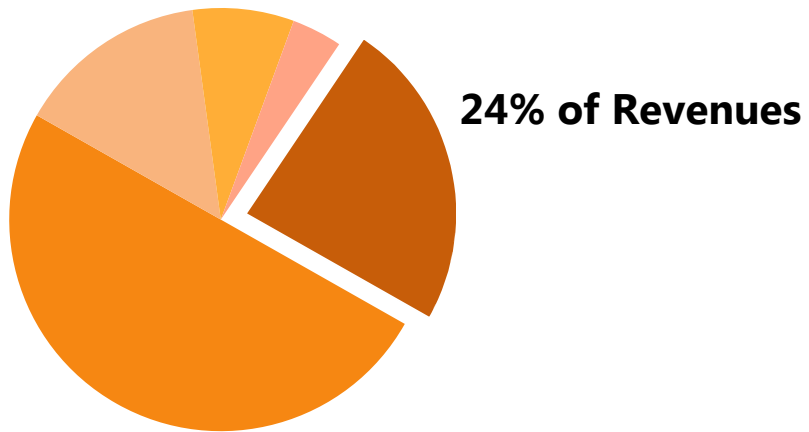


## ANDA Approvals by Therapeutic Area



(Taro numbers added since Mar 2011, URL numbers added since Mar 2013 & Ranbaxy numbers added for March'15)

# India Branded Generic Business



# India Business at a glance

## No. 1 in India

### Market Position\*\*

- No. 1 ranked with 8.9% market share
- Growth of 15% versus average industry growth of 14%

### Prescription Ranking###

- No. 1 ranked by prescriptions with 13 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. 15% of India revenues
- Growth driven by a basket of brands & not few key brands

### Extensive Sales Force

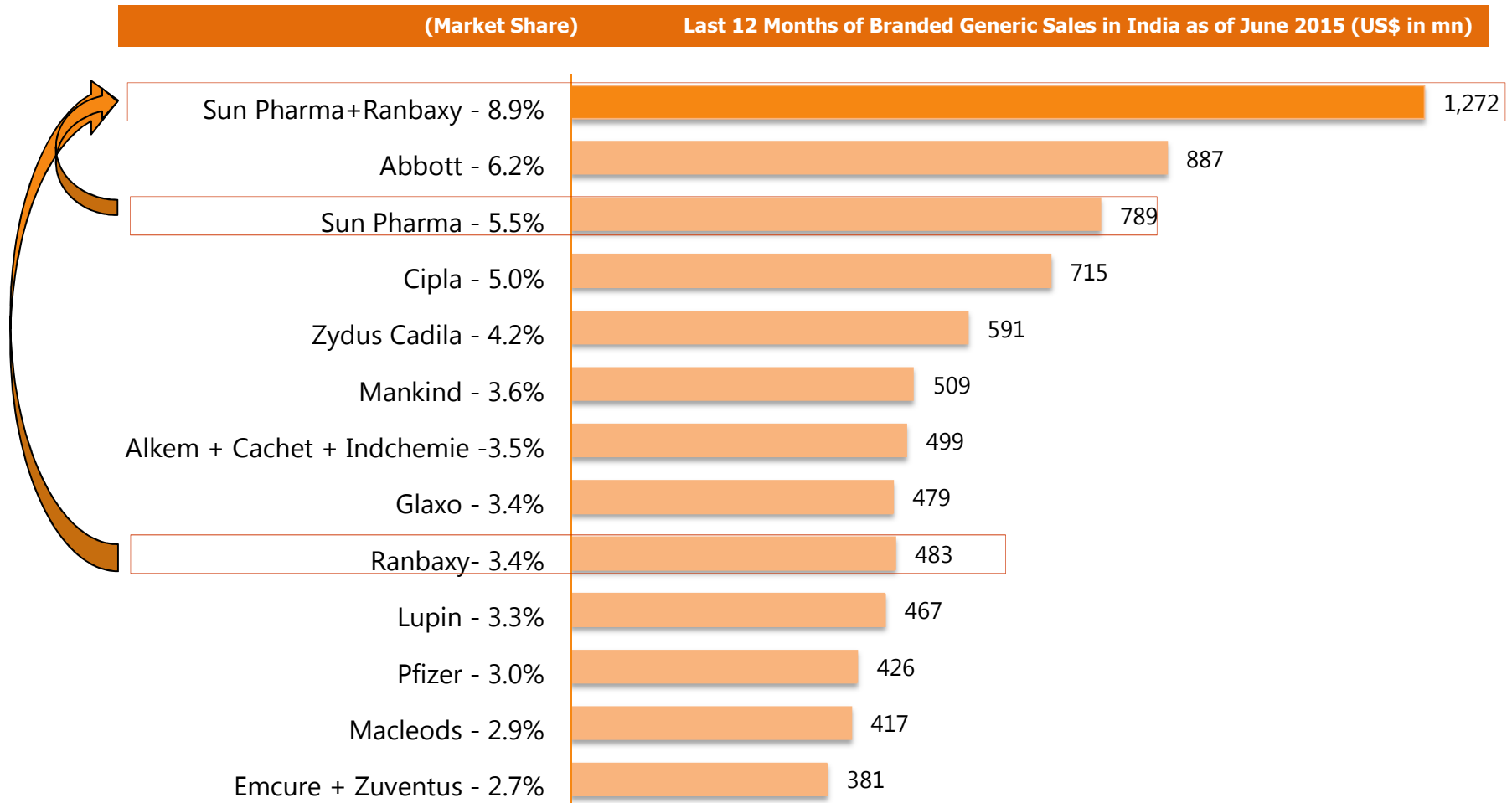
- 9,000+ strong field force covering over 600,000\* doctors

\*\* - As per AIOCD AWACS data for 12 months ended June'15

### - As per SMSRC data for June'15

\* Does not exclude overlaps

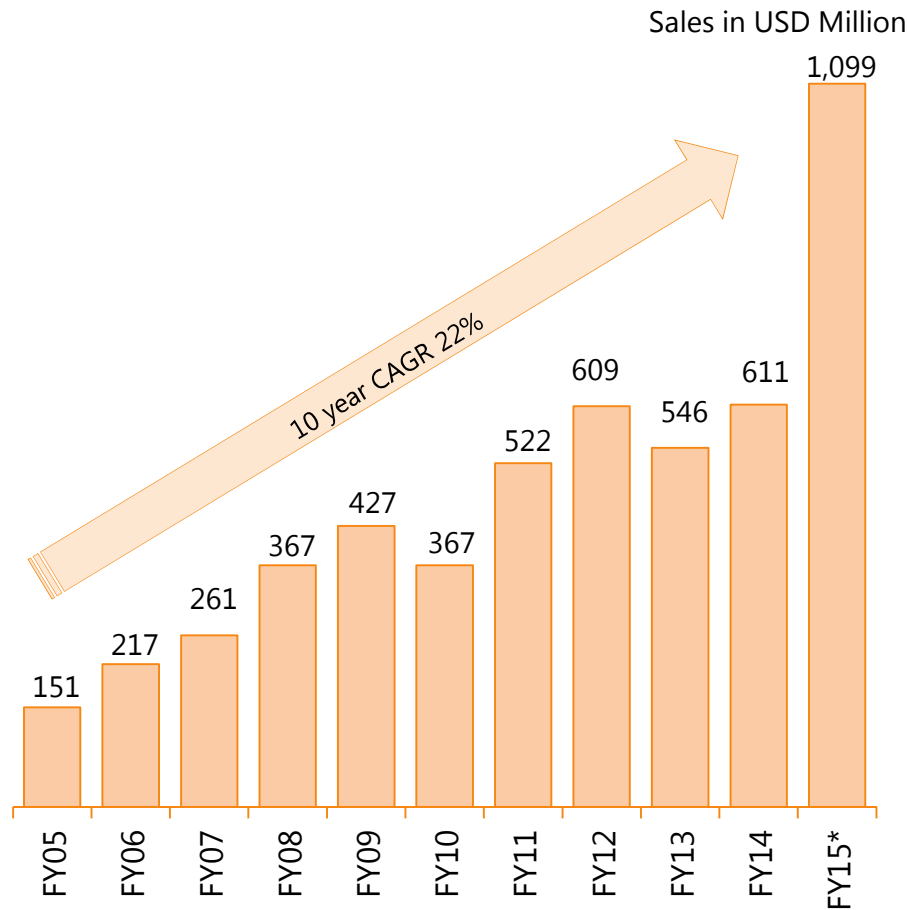
# Largest Pharma Company in India



Source: AIOCD AWACS MAT June 2015

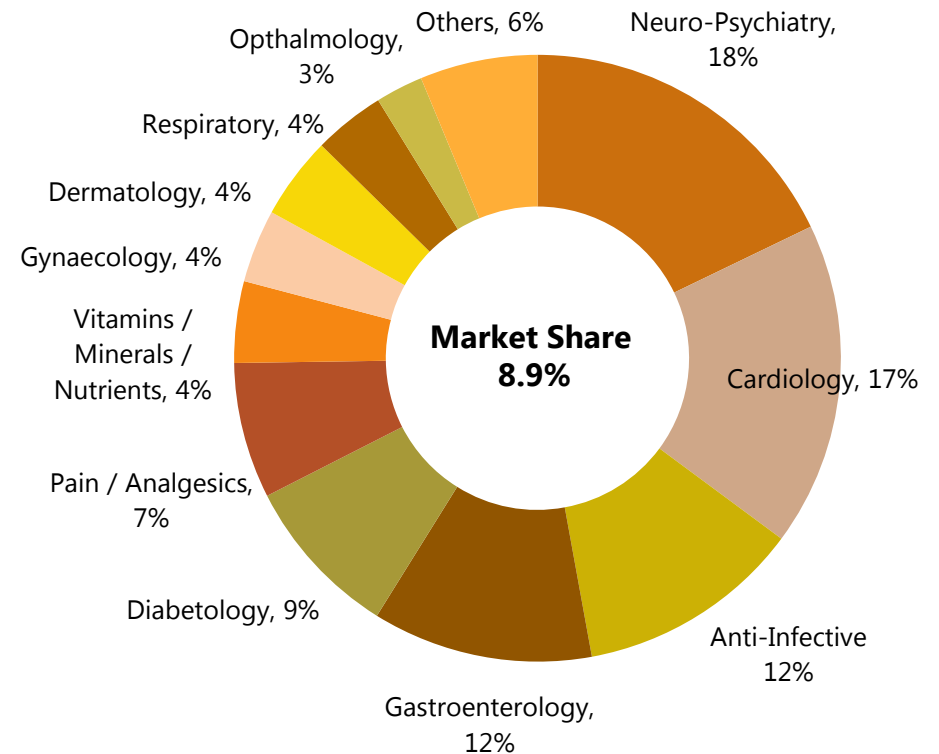
# India Business – Sales ramp-up

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



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

## Therapeutic Revenue Break-up



As per AIOCD AWACS – June'15

# Strong Customer Focus Drives Market Share Gains



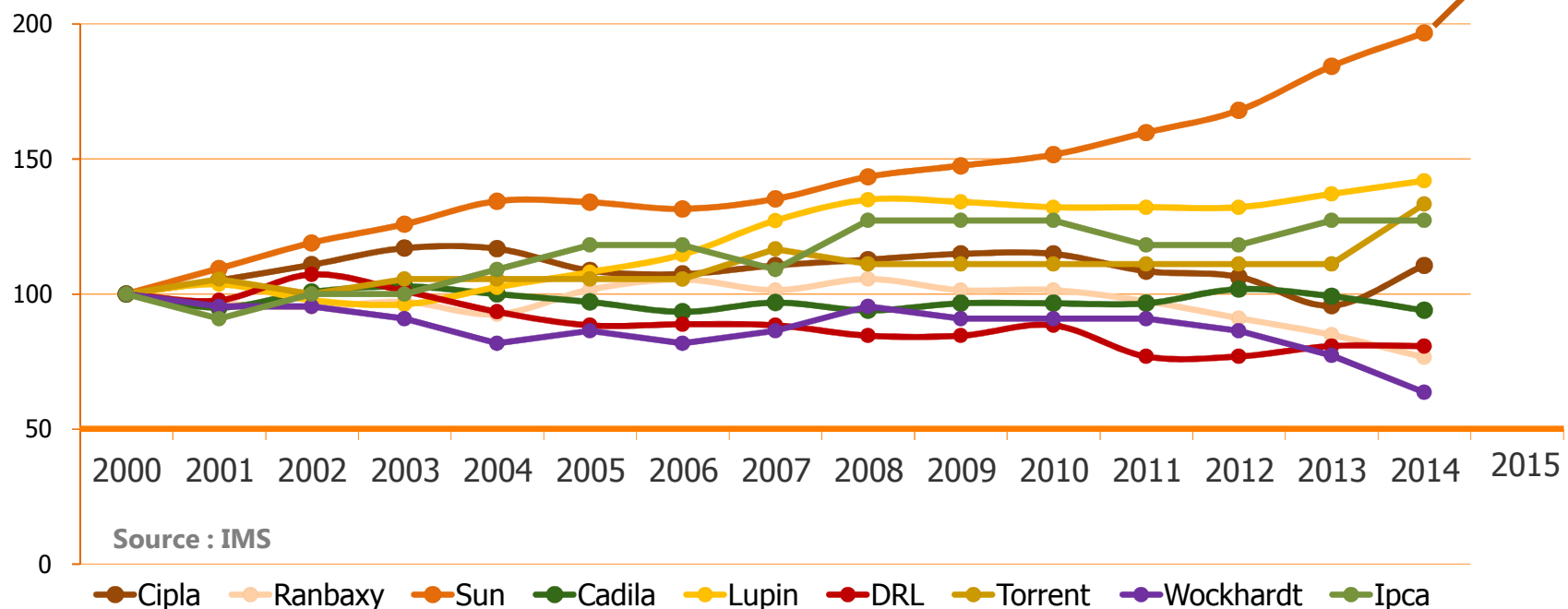
## Therapy focused marketing

- 9,000+ 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 4.8% in 2014
- Including Ranbaxy, current market share is 8.2% (IMS Data for June '15)

\* Does not exclude overlaps



Source : IMS



# Leadership in key therapeutic areas\*

Number 1 Ranking with 13 Doctor Categories\*

## Ranking (Sun Pharma)

Specialist	Oct '14
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopaedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	2
Consulting Physicians	5
Dermatologists	6
Urologists	6
Chest Physicians	5
Oncologists	8

## Ranking (Sun + Ranbaxy)

Specialist	June '15
Psychiatrists	1
Neurologists	1
Cardiologists	1
Orthopaedic	1
Ophthalmologists	1
Gastroenterologists	1
Nephrologists	1
Diabetologists	1
Consulting Physicians	1
Dermatologists	1
Urologists	1
Chest Physicians	1
Oncologists	1

Improved Rankings due to Ranbaxy acquisition

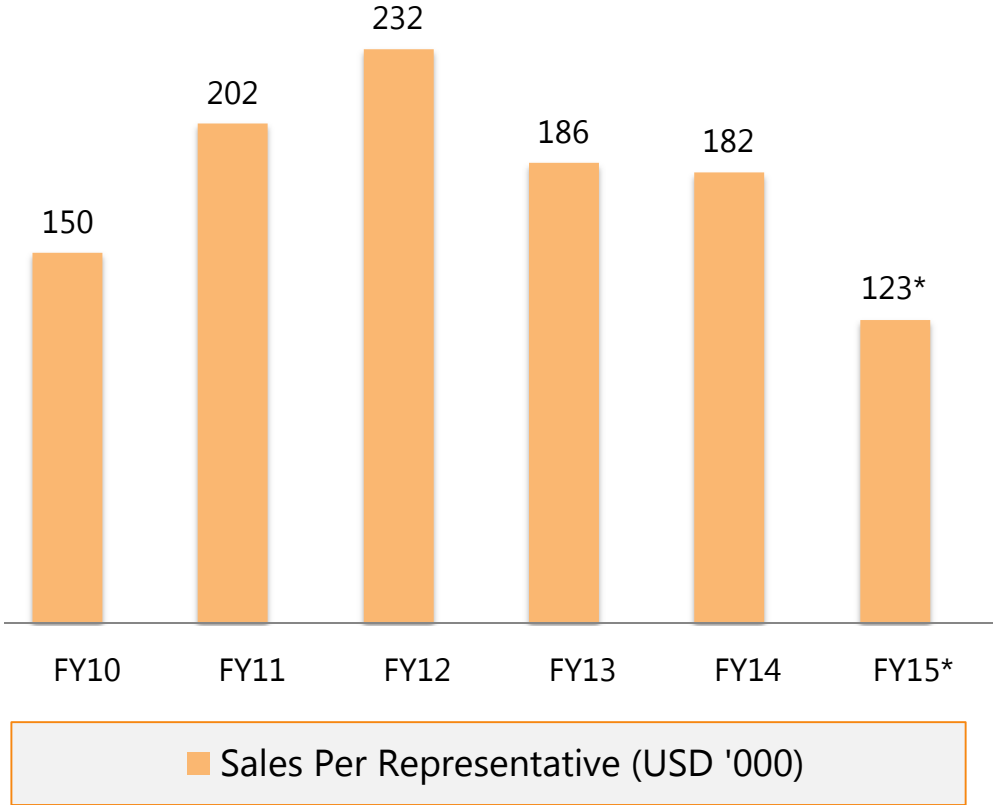


\*Ranks based on prescription share  
Source-Strategic Marketing Solutions and Research Centre (SMSRC) Prescription Data

# Best-in-class field force productivity

## Sales Per Representative (USD '000)

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



### Field Force Productivity

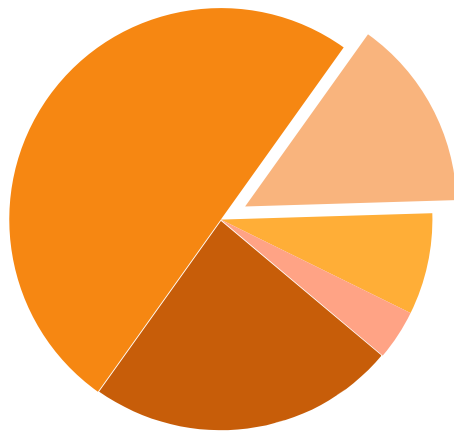
**Sun Pharma** • USD 122,690 / MR

**Industry Average\*** • USD 89,972 / MR

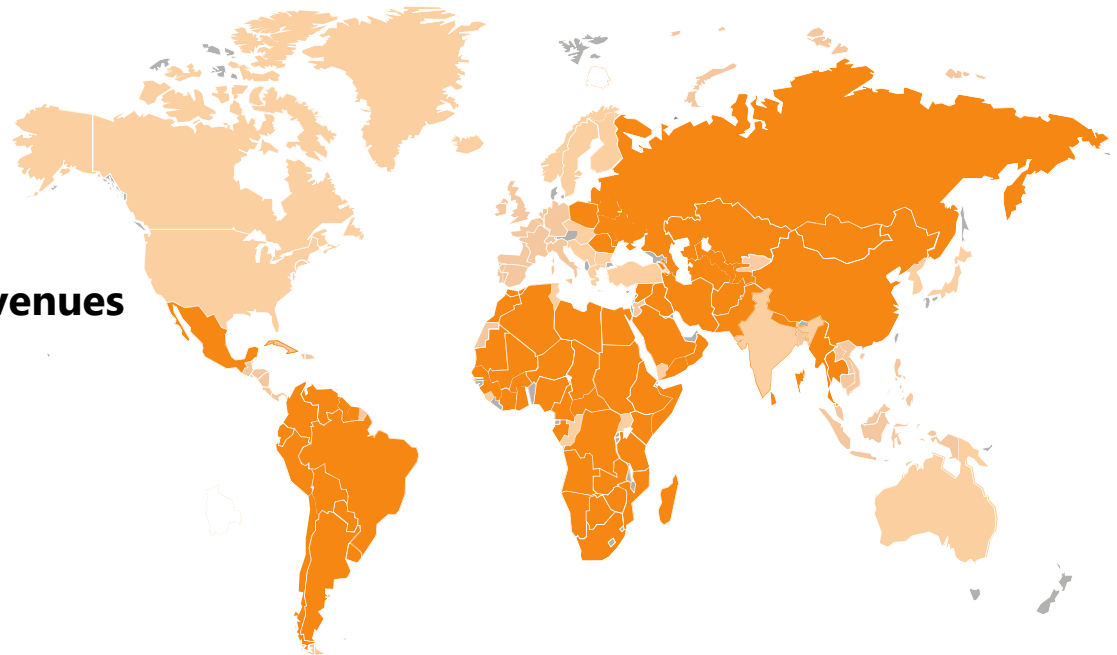
\* Based on brokerage reports

- 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



**14% 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

- Over 2,300 Sales Representatives

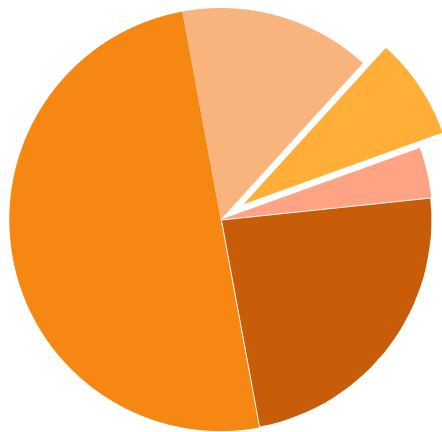
### Opportunity

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

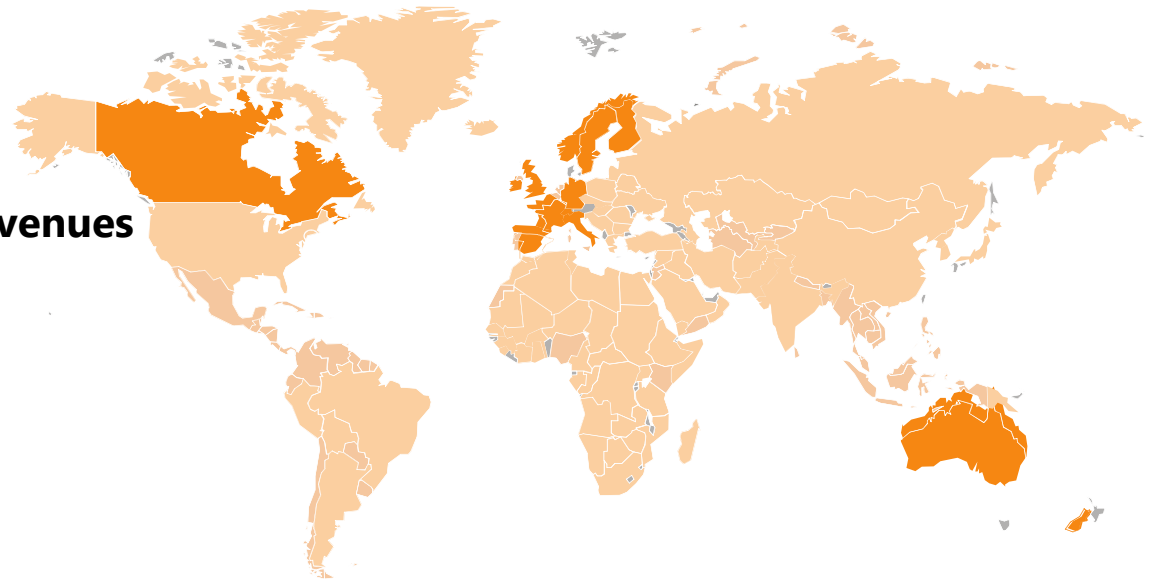
### Local Manufacturing

- 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

# 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

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

### Strong Brand Equity

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

### Sales Force

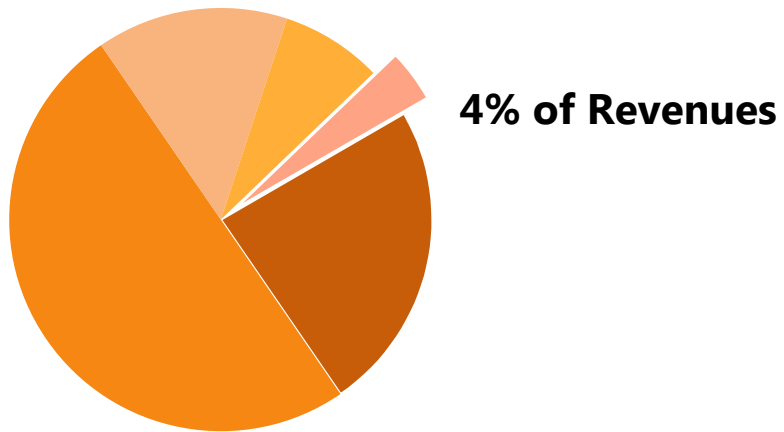
- Promoted through dedicated sales force in each market

### 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

- More than 25 APIs scaled up annually

### Regulatory approvals

- 272 DMF/CEP approvals to date
- 396 DMF/CEP Filings to date

### Manufacturing

- Across 14 facilities

# Research & Development



# Research & Development



Cumulative R&D Spend of over USD 1 billion till date

## R&D Spend

- R&D spend at 7.2% of Net Sales for FY15\*
- 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)

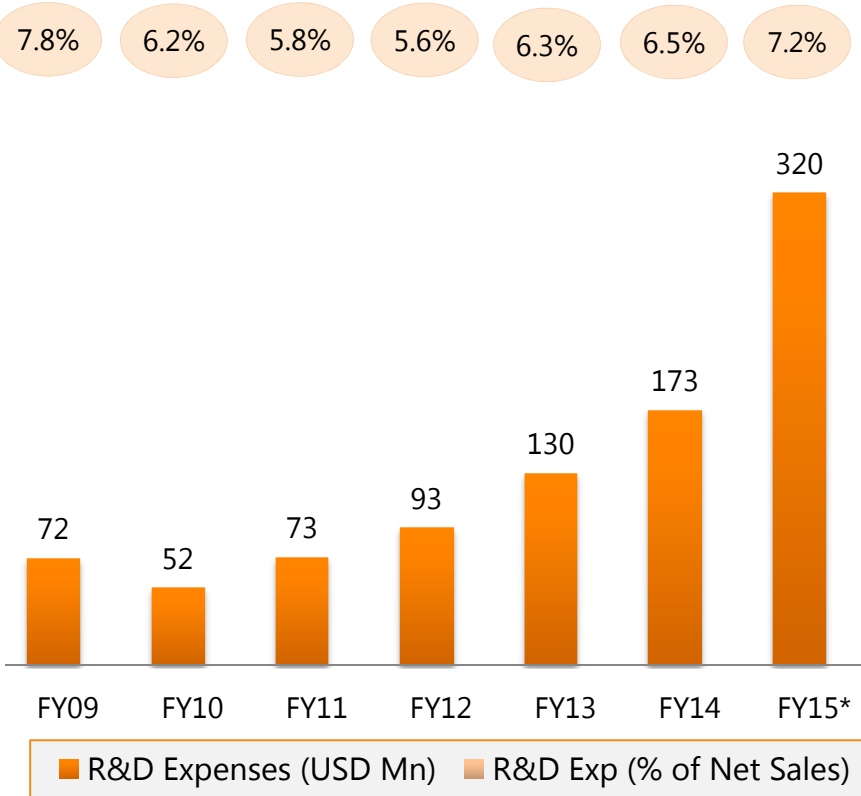
## Focus

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

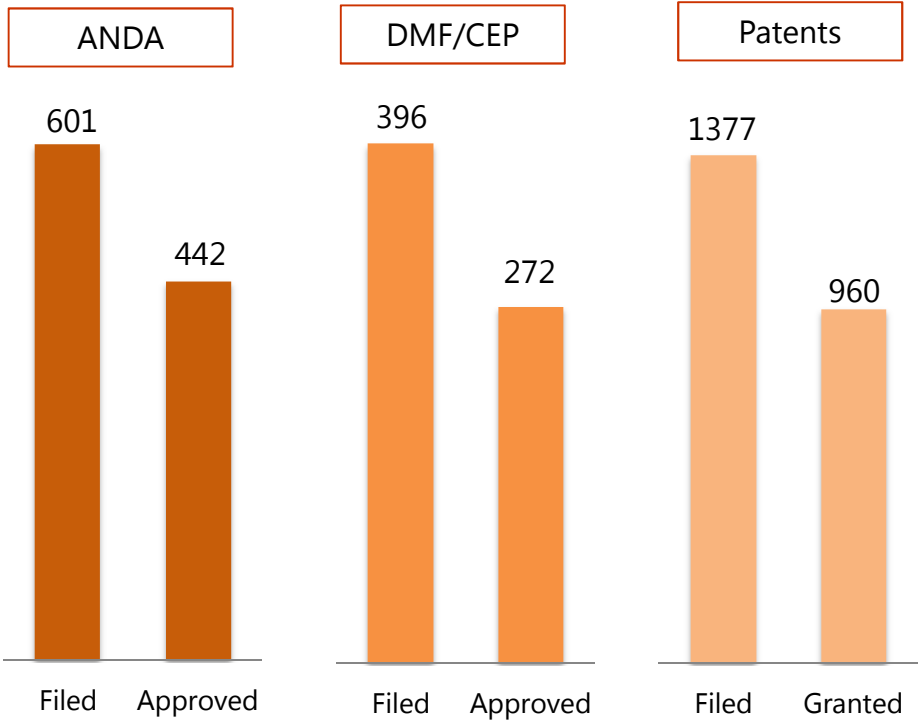
\* FY15 numbers include the impact of Ranbaxy merger

# R&D Investments

## R&D Expenditure



## Filings and Approvals



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

As of June 30, 2015



# Global Manufacturing Presence



# Global Manufacturing Presence

## World Class Manufacturing Infrastructure

### Extensive Global Footprint

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

### Integrated Network

- Vertically integrated network across four 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

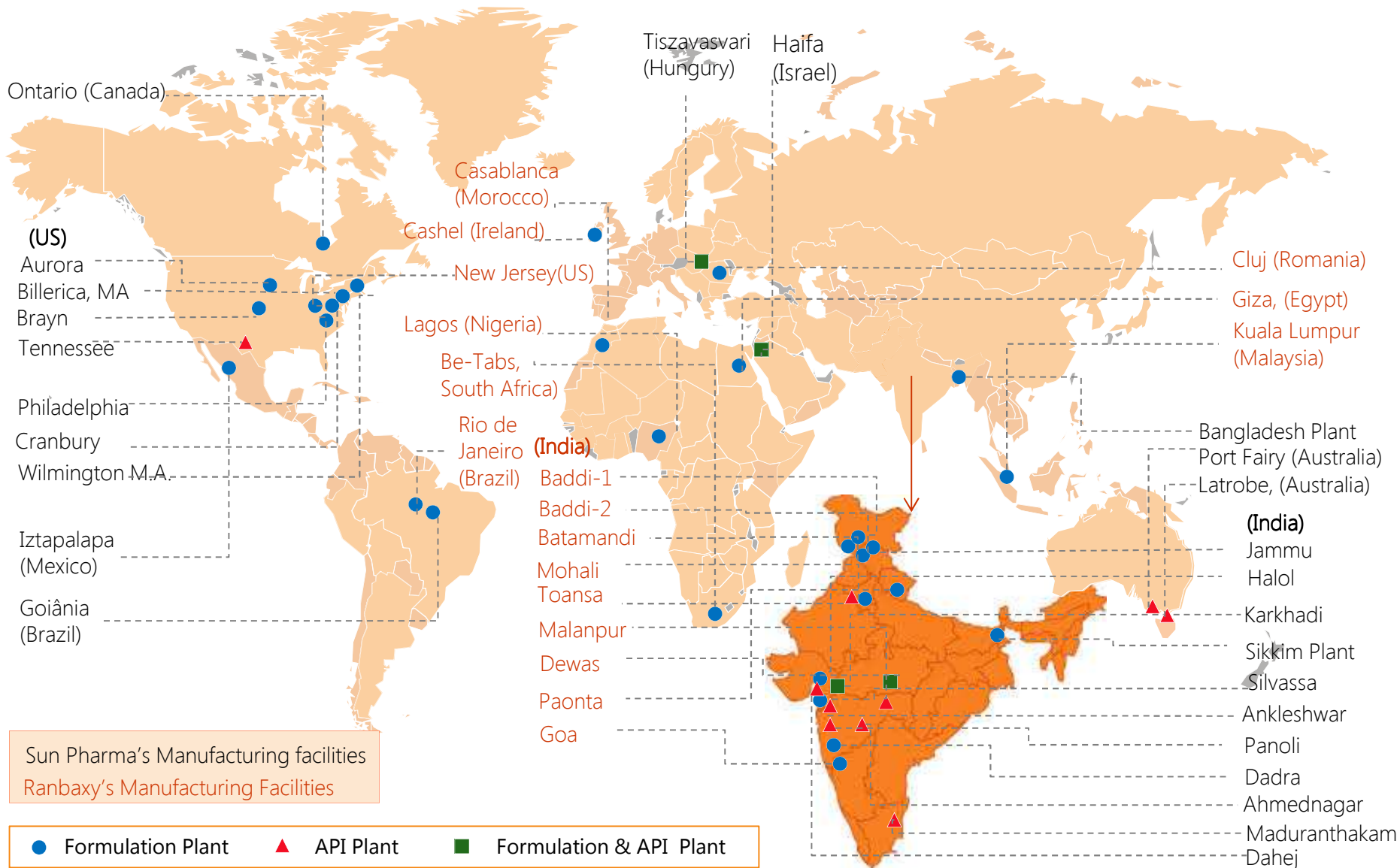
### High Quality

- 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

## Sun Pharma - 20 Manufacturing sites

- India : 8, US : 6
- Canada, Brazil, Mexico, Hungary , Israel, Bangladesh : 1 each
- Capacities available for a variety of finished dosages

## Ranbaxy - 16 Manufacturing sites

- India : 7, US : 1
- Ireland, South Africa, Malaysia, Romania, Brazil, Morocco, Egypt and Nigeria : 1 each

### 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

## Sun Pharma - 11 locations

- India : 6, Australia : 2, Israel : 1, US : 1, Hungary : 1

## Ranbaxy - 3 locations

- India : 3

## 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. 2,160 billion / US\$ 33 billion

( All Figures in USD. Mn )

	FY11	YoY	FY12	YoY	FY13	YoY	FY14	YoY	FY15*
<b>P&amp;L Summary</b>									
Net Sales	1,256	48%	1,672	33%	2,067	24%	2,649	28%	4,464
Gross Profit	934	52%	1,330	42%	1,685	27%	2,189	30%	3,361
EBITDA	428	49%	679	59%	903	33%	1,178	30%	1,279
Net Profit	398	40%	555	39%	549	-1%	520	-5%	743
Net Profit (Adjusted)	398	40%	555	39%	656 <sup>#</sup>	18%	937 <sup>#</sup>	43%	781 <sup>#</sup>
R&D Spend	73	31%	93	28%	130	39%	172	33%	320
<b>BS Summary</b>									
	Mar'11	YoY	Mar'12	YoY	Mar'13	YoY	Mar'14	YoY	Mar'15*
Shareholders Funds	2,124	22%	2,392	13%	2,762	15%	3,082	12%	4,088
Loan Funds	82	116%	52	-37%	37	-30%	414		1,214
Net Fixed Assets	617	66%	640	4%	935	46%	969	4%	1,761
Investments	499	-29%	433	-13%	444	3%	464	4%	434
Cash and Bank Balances	494	338%	658	33%	748	14%	1,263	69%	1,757
Inventory	334	40%	408	22%	475	16%	520	9%	906
Sundry Debtors	247	-5%	406	64%	444	9%	366	-18%	849
Sundry Creditors	145	104%	194	34%	195	0%	221	13%	504

Exchange Rate :

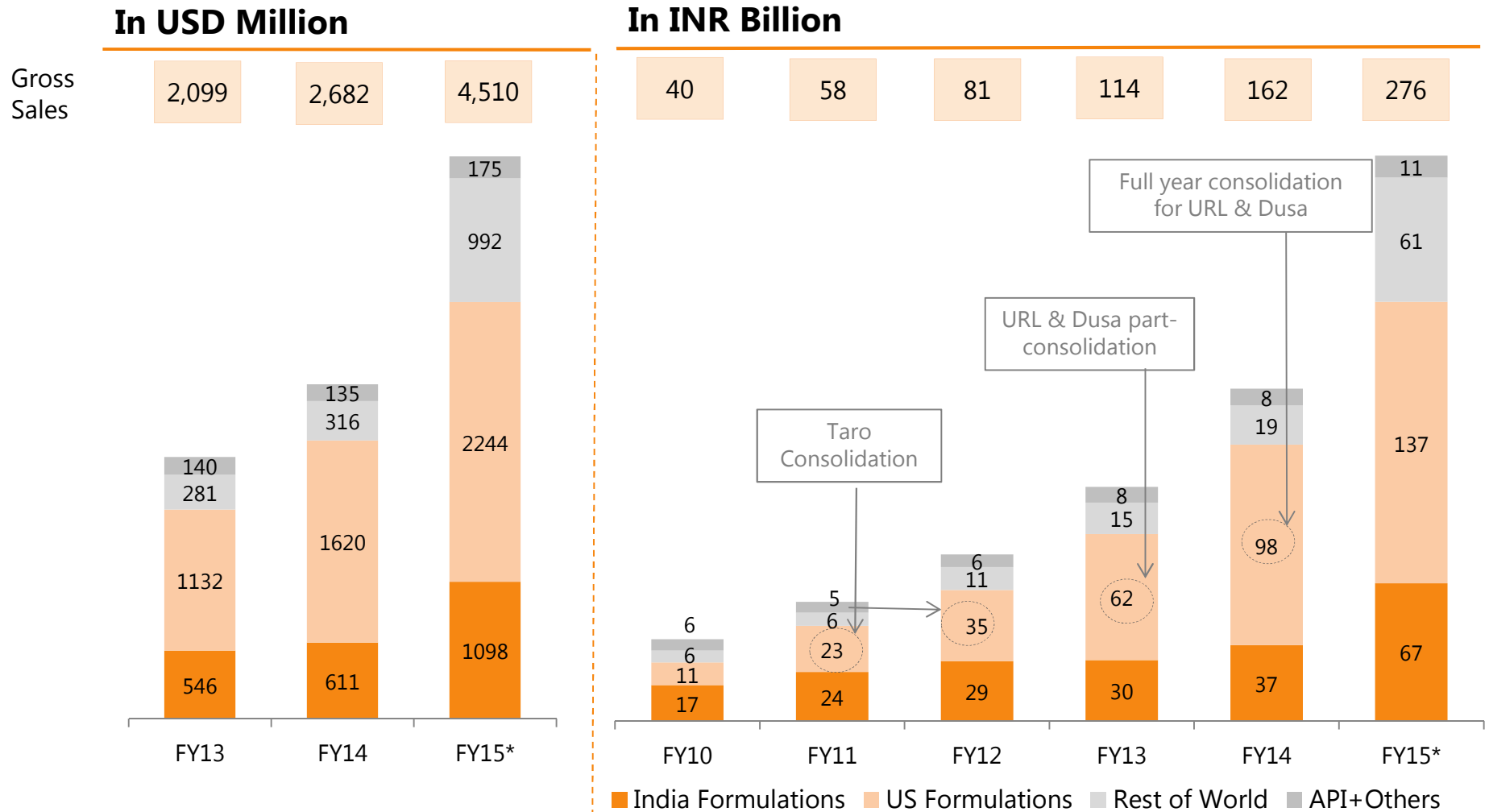
For Market Capitalisation US\$1 = Rs 66.30 (As on 31 Aug 2015)

# 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

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

\* FY15 numbers include the impact of Ranbaxy merger

# Sales Break-up

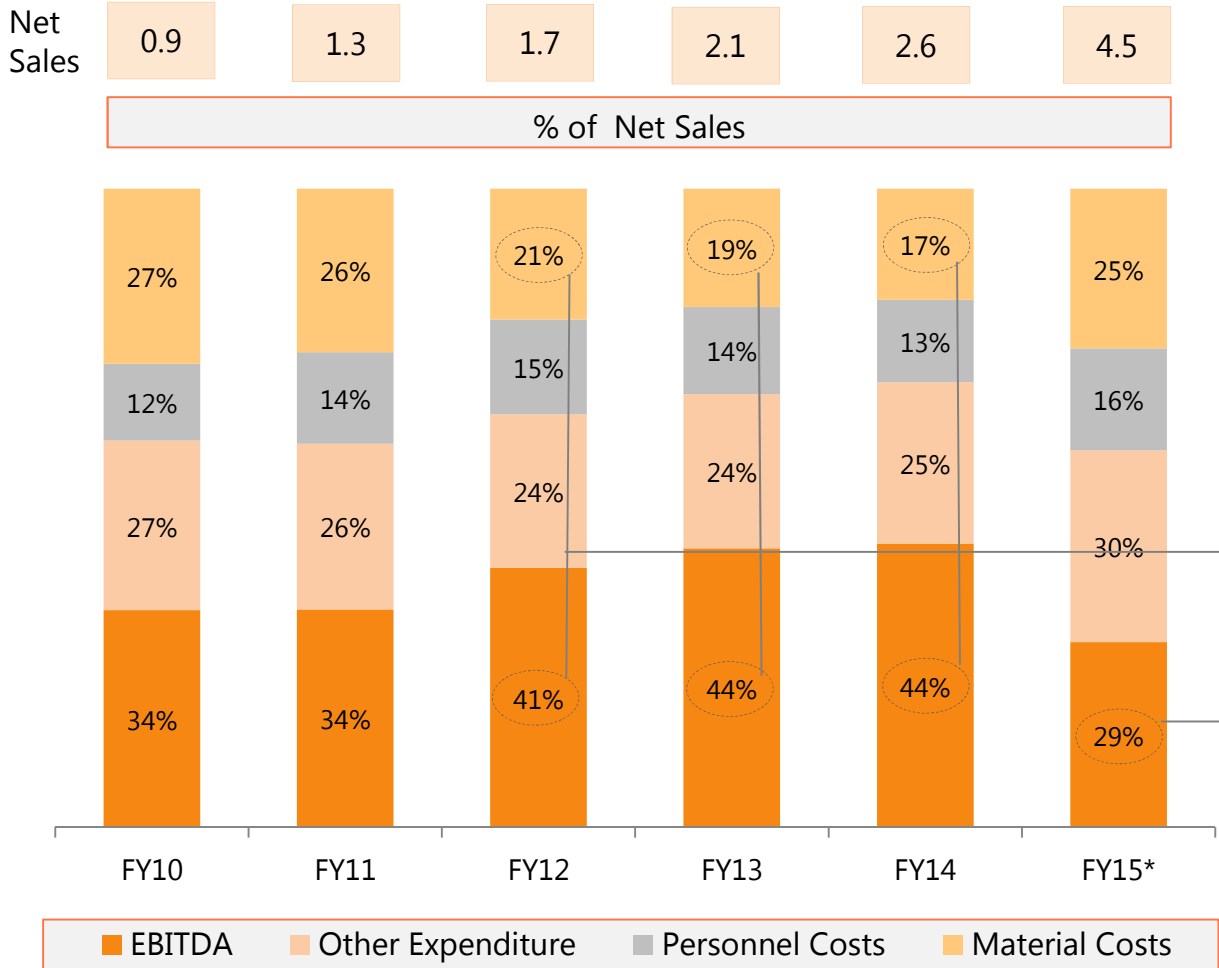


Rest of world includes all formulations sales excluding US & India  
 FY10 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 numbers include the impact of Ranbaxy merger

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

# EBITDA Trend

## In USD Billion



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

Impact of Ranbaxy acquisition

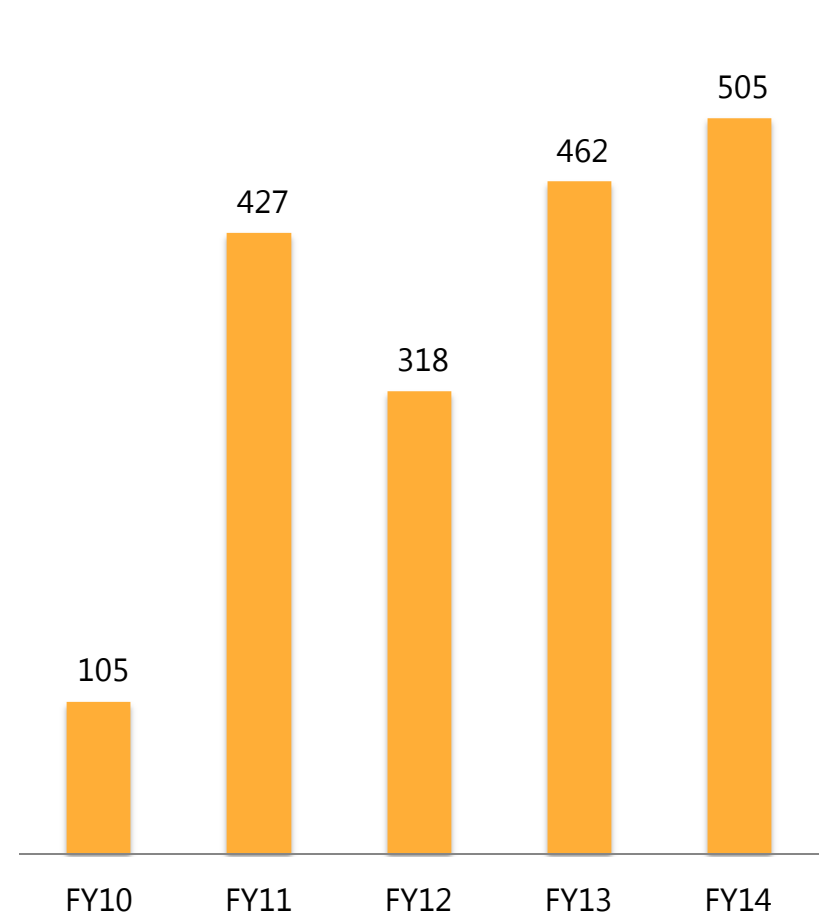
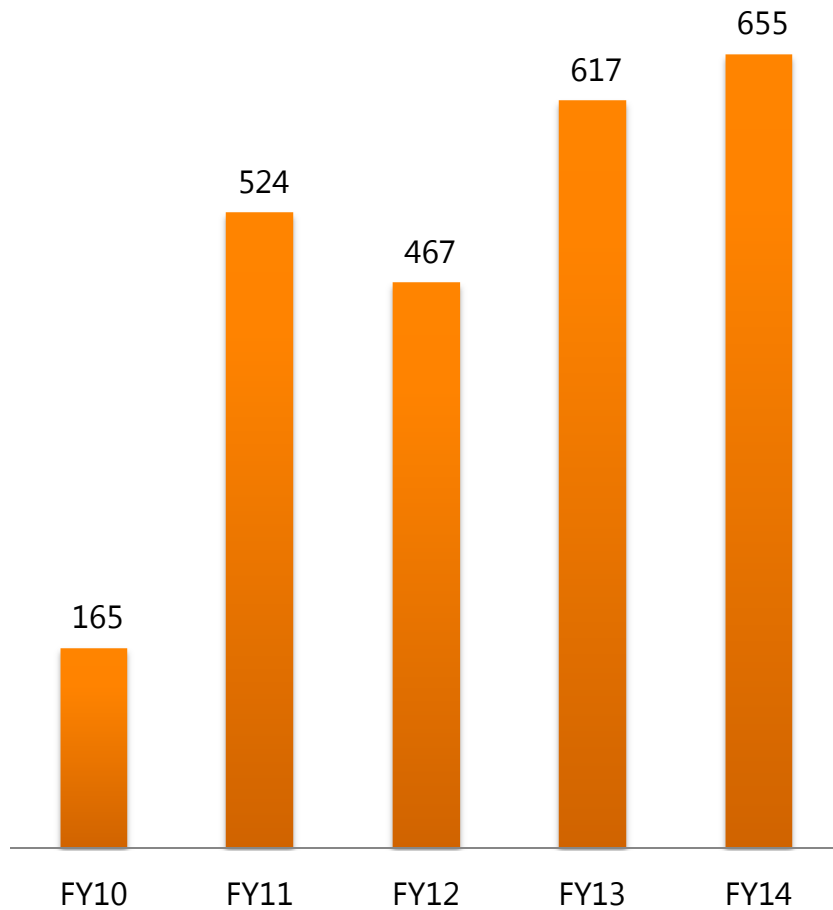
FY10 – FY14 numbers exclude Ranbaxy financials  
 \* FY15 numbers include the impact of Ranbaxy merger

# Cash Flow



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

**Free Cash Flow (USD Mn)**



All numbers above exclude Ranbaxy financials



# Financial Ratios



	FY11	FY12	FY13	FY14	FY15
<b>Margins (%)</b>					
Gross Margin	74.4	79.5	81.5	82.6	75.3
EBITDA Margin (%)	34.1	40.6	43.7	44.5	28.6
Net Margin	31.7	33.2	26.5	19.6	16.6
Net Margin (Adjusted)	31.7	33.2	31.7 #	35.4 *	17.5 **
<b>Return (%)</b>					
ROCE	20.3	23.8	26.7	26.9	17.8
ROE	21.0	23.8	25.7	30.9	20.4
<b>Others</b>					
Debt / Equity	0.04	0.02	0.01	0.13	0.30
Fully Diluted EPS (Rs) Post bonus	8.8	12.8	14.4	15.2	18.9
Fully Diluted EPS (Rs) Post bonus (Adjusted)	8.8	12.8	17.2 #	27.3 *	19.9 **
<b>R&amp;D Spend % of Net Sales</b>					
Revenue	5.4	5.1	5.9	6.2	6.7
Capital	0.4	0.5	0.4	0.3	0.4

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

\* Adjusted for USD 417 Mn provision related to generic Protonix settlement for the year 2013-14

\*\* Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15

# Key Financials Q1 FY16



( All Figures in USD Mn )

	Q1 FY16	Q1 FY15	CHANGE	FY15
<b>Net Sales</b>	<b>1,067</b>	<b>1,045</b>	<b>2%</b>	<b>4,464</b>
Gross Profit	786	773	2%	3,361
Gross Margin	74%	74%		75%
EBITDA	264	316	-16%	1,279
EBITDA Margin	25%	30%		29%
<b>EBITDA (Adjusted)</b>	<b>298</b>	<b>316</b>	<b>-6%</b>	<b>1,409</b>
EBITDA margin (Adjusted)	28%	30%		32%
Net Profit	78	199	-61%	743
Net margin	7%	19%		17%
<b>Net Profit (Adjusted)</b>	<b>190</b>	<b>239 *</b>	<b>-20%</b>	<b>781#</b>
Net margin (Adjusted)	18%	23%		18%
R&D	84	62	36%	320
R&D as % of Net Sales	7.8%	5.9%		7.2%
EPS (Diluted) IN \$	0.0	0.1	-61%	0.3
EPS (Diluted) IN \$ (Adjusted)	0.1	0.1 *	-20%	0.4 #

\* Adjusted for USD 39 Mn for settlement provision for Texas Medicaid Program litigation for 2014-15.

# Sales Breakup Q1 FY16



( All Figures in USD. Mn )

	Q1 FY16	Q1 FY15	CHANGE	FY15
<b>Formulation</b>				
India	292	266	10%	1,099
US	506	500	1%	2,244
Emerging Markets	138	156	-11%	611
ROW	94	97	-3%	381
<i>Sub-total</i>	<b>1,030</b>	<b>1,019</b>	<b>1%</b>	<b>4,335</b>
Bulk	44	34	30%	162
Others	4	3	21%	13
<b>Gross Sales</b>	<b>1,078</b>	<b>1,057</b>	<b>2%</b>	<b>4,510</b>

*Note – Numbers include Ranbaxy*

# 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

# FY16 Guidance

## Consolidated Revenues

- To remain flat or show a decline over FY15.

## Consolidated Profits

- In addition to the above revenue impact, profits may be adversely impacted due to certain expenses/charges arising out of integration as well as cGMP remedial actions.

## Ranbaxy integration

- To incur certain integration charges in order to generate long-term synergies

## Synergy

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

## Investing for Future

- Invest in R&D and in building critical talent for enhancing our ophthalmic and OTC teams in US as well as for forming a dedicated team for MK-3222

# 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>• 50 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 2014



# Thank You!

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