

FOR IMMEDIATE RELEASE

Sun Pharma reports Q2FY22 results

Q2 Gross Sales at Rs. 95,567 million up 13% YoY

Q2 Net Profit at Rs. 20,470 million up 29% v/s Adjusted Net Profit of Q2FY21

Mumbai, November 02, 2021: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the second quarter ending September 30th, 2021.

Highlights of Q2FY22 consolidated financials

- Consolidated sales from operations at Rs. 95,567 million, growth of 13% over Q2 last year
- India sales at Rs. 31,878 million, up 26% over same quarter last year
- US finished dosage sales at US\$ 361 million, growth of 8% over Q2 last year
- Emerging Markets sales at US\$ 243 million, up by 16% over Q2 last year
- Rest of World sales at US\$ 188 million, up by 5% over same quarter last year
- R&D investments at Rs. 5,364 million compared to Rs. 6,127 million for Q2FY21
- EBITDA at Rs. 25,608 million, up by 21% over Q2 last year, with resulting EBITDA margin of 26.8%
- Net profit for the quarter was at Rs. 20,470 million, up 29% compared to adjusted net profit of Q2 last year and up 13% versus reported net profit YoY

Highlights of H1FY22 consolidated financials

- Consolidated sales from operations at Rs. 192,262 million, growth of 20% over same period last year.
- India sales at Rs. 64,961 million, up by 32% over H1 last year.
- US finished dosage sales at US\$ 741 million up by 20% over H1 last year.
- Emerging Markets sales at US\$ 461 million up by 20% over H1 last year.
- Rest of World sales at US\$ 373 million, up by 18% over H1 last year.
- EBITDA at Rs. 53,325 million up 38% over H1 last year, with resulting EBITDA margin of 27.7%.
- Excluding the exceptional items, adjusted net profit for H1FY22 was at Rs. 40,263 million, up 47% YoY. Reported net profit for H1FY22 was at Rs. 34,912 million compared to Rs. 1,572 million for H1 last year.

These results were taken on record by the Board of Directors at a meeting held today.

Dilip Shanghvi, Managing Director of the Company said, "Following our good Q1 performance, we have sustained the positive momentum in Q2 with a topline growth of 13% YoY, driven by a broad-based growth across multiple geographies. Our global specialty business has grown by 43% over Q2 last year. Ilumya has grown both YoY and sequentially. Our India business continues to do well with a growth of 26% YoY. We remain steadfast in our focus on growing our overall business and simultaneously strengthening our global specialty portfolio. The recent launch of Winlevi in US and Ilumya in Canada is a step forward in this direction."

Debt Repayment

The company has repaid debt of about US\$ 209 million in H1FY22 compared to the debt as of March 31, 2021. With this debt repayment, Sun Pharma had a net cash of about US\$ 200 million as of 30th September, 2021, on ex-Taro basis.

Sun Pharmaceutical Industries Limited

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India Business – Market Leadership

Sale of branded formulations in India for Q2FY22 were at Rs. 31,878 million, up by 26% over Q2 last year and accounting for 33% of total sales. For the first half, sales were at 64,962 million, up by 32% over same period last year.

Sun Pharma is ranked No. 1 and has increased its market share to 8.1% in the Indian pharmaceutical market as per AIOCD AWACS MAT September-2021 report. For Q2FY22, the company launched 28 new products in the Indian market.

US Formulations (including Taro)

Sales in the US were US\$ 361 million, a growth of 8% over Q2 last year and accounting for about 28% of total consolidated sales. For first half sales were US\$ 741 million recording a growth of 20% over same period last year.

Taro Performance

Taro posted Q2FY22 sales of US\$ 132 million, lower by about 8% YoY and adjusted net profit of about US\$ 25 million, lower by 45% over Q2 last year. For the first half, sales were US\$ 279 million, up by 7% over H1 last year. Excluding the impact from the settlement and loss contingencies charges in both periods, adjusted net profit for H1FY22 was US\$ 66 million compared to US\$ 74.2 million in H1FY21. Taro's reported net profit for H1FY22 was US\$ 4.5 million.

Emerging Markets

Our sales in Emerging Markets were at US\$ 243 million for Q2, a growth of 16% over Q2 last year and accounting for about 19% of total consolidated sales for the quarter. For the first half, sales were US\$ 461 million, up by 20% over first half last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets, excluding US and Emerging Markets, were US\$ 188 million in Q2FY22, up by about 5% over Q2 last year and accounting for approximately 15% of total consolidated sales. For the first half, sales were US\$ 373 million, up by 18% over first half last year.

Active Pharmaceutical Ingredients (API): Strategic strength

For Q2FY22, external sales of API were at Rs. 4,358 million, lower by about 15% over Q2 last year; driven mainly by lower opiates sales. For the first half, API sales were at Rs. 9,507 million, down by about 11% over first half last year. Our API business imparts benefits of vertical integration and continuity of supply chain for our formulations business. We continue to focus on increasing API supplies for captive consumption relating to our key products.

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Research – Investing for future

Consolidated R&D investment for Q2FY22 was Rs. 5,364 million as compared to Rs. 6,127 million for Q2 last year. The reduction is due to spill-over of certain clinical studies into subsequent quarters. For the first half, R&D expense was Rs. 11,290 million, or 5.9% of sales.

Our R&D efforts span across both specialty and generic businesses and we continue to invest in building the pipeline for various markets including the US, Emerging Markets, RoW Markets and for India. We have a comprehensive product offering in the US market consisting of approved ANDAs for 508 products while filings for 88 ANDAs await US FDA approval, including 20 tentative approvals. For the quarter, 3 approvals were received. Additionally, the portfolio includes 53 approved NDAs while 13 NDAs await US FDA approval.

Sales and R&D

(₹ in Mn)

Particulars	Quarter ended			Half Year ended		Year ended
	30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
India Formulations	31,878.0	33,083.5	25,311.3	64,961.5	49,195.6	103,432.1
US Formulations	26,773.0	28,000.1	24,915.1	54,773.1	46,304.0	100,921.2
Emerging Market	18,005.4	16,052.6	15,587.8	34,058.0	28,751.9	57,839.7
ROW Formulations	13,926.0	13,680.0	13,362.8	27,606.0	23,796.7	48,955.8
Total Formulations	90,582.4	90,816.2	79,177.0	181,398.6	148,048.2	311,148.8
Bulk	4,358.4	5,148.9	5,104.4	9,507.3	10,641.8	19,503.5
Others	626.6	729.2	465.5	1,355.8	915.1	1,678.5
Total Sales	95,567.4	96,694.3	84,746.9	192,261.7	159,605.1	332,330.8
Total R&D Expenditure	5,364.1	5,926.0	6,127.3	11,290.1	10,333.3	21,499.4
Capital	200.4	177.9	152.7	378.3	206.8	471.2
Revenue	5,163.7	5,748.1	5,974.6	10,911.8	10,126.5	21,028.2
Exchange Rates: \$1 = ₹	74.09	73.75	74.37			

Disclaimer:

Statements in this "Document" describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. The Company undertakes no obligation to update or revise forward looking statements to reflect developments or circumstances that arise or to reflect the occurrence of unanticipated developments/circumstances after the date hereof.

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Earnings Call (06.30 pm IST, November 02, 2021)

The Company will host an earnings call at 06.30 pm IST on November 02, 2021, where senior management will discuss the Company's performance and answer questions from participants. This call will be accessible through an audio dial-in and a web-cast.

Audio conference Participants can dial-in on the numbers below
Universal number: +91 22 6629 0049
+91 22 7194 5729

*Pre-registration details
(to avoid wait time)* Click here [DiamondPassRegistration](#)

Playback of call: +91 22 7194 5757/ +91 22 6663 5757, Conference ID: 52672

Web-cast More details will be provided through our website, www.sunpharma.com

To participate in the audio call, please dial the numbers provided above five to ten minutes ahead of the scheduled start time. The operator will provide instructions on asking questions before the call. The transcript of the event will be available at www.sunpharma.com. The playback will be available for a few days.

About Sun Pharmaceutical Industries Limited (CIN - L24230GJ1993PLC019050):

Sun Pharma is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enables it to deliver high-quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. Its global presence is supported by manufacturing facilities spread across 6 continents and approved by multiple regulatory agencies, coupled with a multi-cultural workforce comprising over 50 nationalities. Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 6-7% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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