

November 13, 2019



**SUN
PHARMA**

Current Price: ₹ 421.55

STOCK DATA

BSE Code	524715
NSE Symbol	SUNPHARMA
Reuters	SUN.BO
Bloomberg	SUNP IN

VALUE PARAMETERS

52 W H/L(Rs)	603.75/350.40
Mkt. Cap.(Rs Cr)	101143.97
Latest Equity(Subscribed)	239.93
Latest Reserve (cons.)	41169.13
Latest EPS (cons.) -Unit Curr.	18.04
Latest P/E Ratio -cons	23.36
Latest Bookvalue (cons.) -Unit Curr.	180.85
Latest P/BV - cons	2.33
Dividend Yield -%	0.65
Face Value	1

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2019
Foreign	15.11
Institutions	18.53
Non Promoter Corp. Hold.	3.10
Promoters	54.55
Public & Others	8.71

Financial Results

In Cr.

Particulars	Qtr Ending Sep. 2019	Qtr Ending Sep. 2018	Var. (%)
Net Sales	7949.19	6846.48	16
Other Operating Income	174.16	91.15	91
Other Income	200.85	351.15	-43
Total Income	8324.2	7288.78	14
Total Expenditure	6333.61	6620.8	-4
PBIDT	1990.59	667.98	198
Interest	83.93	129.53	-35
PBDT	1906.66	538.45	254
Depreciation	473.28	426.51	11
PBT	1433.38	111.94	1181
Tax	266.03	269.69	-1
Reported Profit After Tax	1167.35	-157.75	840
Minority Interest After NP	99.08	109.98	-10
Profit/Loss of Associate Company	-4.18	-1.87	-124
Net Profit after Minority Interest & P/L Asso.Co.	1064.09	-269.6	495
Extra-ordinary Items	0	-944.69	0
Adjusted Profit After Extra-ordinary item	1064.09	675.09	58
EPS	4.43	3.94	12

Q2 FY20, Profit mets estimates, aided by higher-than-expected sales in domestic business.

Highlights of Q2FY20 consolidated financials

- Sales / Income from operations at Rs. 7,949 crores, a growth of 16% over same quarter last year.
- India sales at Rs. 2,515 crores, growth of 35% over Q2 last year.
- US finished dosage sales at US\$ 339 million, flat over Q2 last year.
- Emerging Markets sales at US\$ 201 million, up by 3% Q2 last year.
- Rest of World sales at US\$ 161 million, growth of 49% over Q2 last year.
- R&D investments at Rs. 488 crores (6.1% of sales) compared to Rs. 452 crores (6.6% of sales) for Q2FY19.
- EBITDA at Rs. 1,616 crores up by 12% over Q2 last year, with resulting EBITDA margin of 20.3%.
- Net profit for quarter at Rs. 1,064 crores, with resulting net profit margin at 13.4%. Adjusted for the exceptional item of Rs. 1,214 crores for Q2 last year, net profit growth was 12.6%

India Business – Market Leadership

Sale of branded formulations in India for Q2FY20 was Rs. 2,515 crores, up by 35% over Q2 last year and accounted for 31.6% of total consolidated sales. For the first half, sales were at 4,828 crores, up by 20% over same period last year.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 1,36,000 crore Indian pharmaceutical market as per AIOCD AWACS Sept-2019 report. For Q2FY20, the company launched 12 new products in the Indian market.

US Formulations

Sales in the US were US\$ 339 million for the quarter, flat over same period last year and accounted for 30% of total consolidated sales. For first half sales were US\$ 763 million recording a growth of 6% over same period last year.

Taro Performance

Taro posted Q2FY20 sales of US\$ 161 million, up 1% over Q2 last year. For the first half, sales were US\$ 322 million, up by 3% over first half last year. Taro's net profit for Q2 was US\$ 56 million, down by 10% over Q2FY19. Net profit for H1FY20 was US\$ 122 million, down by 6% over first half last year.

Emerging Markets

Sales in emerging markets were at US\$ 201 million for Q2, up 3% over same quarter last year. Sales in emerging markets accounted for 17.8% of total consolidated sales for the quarter. For the first half, sales were US\$ 394 million, up by 1% over first half last year.

Rest of World Markets Formulation

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 161 million in Q2FY20, a growth of 49% over Q2 last year and accounting for approximately 14.3% of total consolidated sales. Growth drivers include both, organic initiatives as well as consolidation of Pola Pharma (Japan) business. For the first half, sales were US\$ 328 million, up by 52% over first half last year.

Active Pharmaceutical Ingredients (API): Strategic strength

API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q2FY20, external sales of API were at Rs. 468 crores, up by 10% over Q2 last year. For the first half, API sales were at Rs. 929 crores, up by 13% over first half last year.

Research – Investing for future

Consolidated R&D investment for Q2FY20 was Rs. 488 crores, or 6.1% of sales as compared to Rs. 452 crores or 6.6% of sales for Q2 last year. For the first half, R&D expense was Rs. 910 crores, or 5.6% of sales. We have a comprehensive product offering in the US market consisting of approved ANDAs for 472 products while filings for 103 ANDAs await US FDA approval, including 20 tentative approvals. For the quarter, 2 ANDAs were filed and 7 approvals were received. Additionally, the pipeline includes 54 approved NDAs while 5 NDAs await US FDA approval.

Dilip Shanghvi, Managing Director of the Company said, "Our Q2 and H1 performance demonstrates sustained growth momentum and is in-line with our full-year guidance. We continue to focus on cost savings and efficiency improvement to align our generic business with the changing industry dynamics. Simultaneously, we continue to progress on building our global specialty business. In the US, we recently launched Cequa while Ilumya continues to gain traction. The recently released long-term follow-up clinical data for Ilumya demonstrates sustained response for patients over four-year period with very good safety profile. We are excited about the long term prospects of Ilumya."

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