

**FOR IMMEDIATE RELEASE**

## **Sun Pharma reports Q1FY21 results**

*Gross Sales at Rs. 7,467 crores  
Adjusted Net Profit at Rs. 1,146 crores*

Mumbai, July 31, 2020: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the first quarter ending June 30<sup>th</sup>, 2020.

### **Highlights of Q1FY21 consolidated financials**

- Consolidated sales from operations at Rs. 7,467 crores, a decline of about 9.6% over same quarter last year.
- India sales at Rs. 2,388 crores, growth of 3.2% over Q1 last year.
- US finished dosage sales at US\$ 282 million, down by 33.5% over Q1 last year. Sales for Q1 last year included a one-time contribution from the special business in US and hence the numbers are not strictly comparable.
- Emerging Markets sales at US\$ 173 million, a decline of 10.5% over Q1 last year.
- Rest of World sales at US\$ 136 million, down by 18.5% over Q1 last year.
- R&D investments at Rs. 421 crores (5.6% of sales) compared to Rs. 422 crores (5.1% of sales) for Q1FY20.
- EBITDA at Rs. 1,725 crores, with resulting EBITDA margin of 23.1%.
- Excluding the exceptional items of Rs. 3,633 crores (and its minority interest of Rs. 832 crores), adjusted net profit for Q1FY21 was at Rs. 1,146 crores with resulting net profit margin at 15.3%. Reported net loss for quarter was at Rs. 1,656 crores due to the exceptional items mentioned above.

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

Dilip Shanghvi, Managing Director of the Company said, "The Q1 performance reflects the impact of the global COVID-19 pandemic and consequent lockdown across markets and is not an indicator of the underlying strength of our business. Despite challenging conditions, we have done well and have not lost market share for any of our key specialty products in the US. We have also maintained our market share in the Indian domestic market. Our timely risk mitigation initiatives ensured smooth operations of our manufacturing network, thereby maintaining continuous supplies of drugs. In the meantime, we continue to focus on serving our patients and customers, ensuring safety of our employees and business continuity."

### **India Business – Market Leadership**

Sale of branded formulations in India for Q1FY21 was Rs. 2,388 crores, up by 3% over Q1 last year and accounted for 32% of total sales.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 142,000 crore Indian pharmaceutical market as per AIOCD AWACS MAT June-2020 report. For Q1FY21, the company launched 10 new products in the Indian market.

### **US Formulations (including Taro)**

Sales in the US were US\$ 282 million for the quarter accounting for about 29% of total consolidated sales. Sales for Q1 last year included a one-time contribution from the special business in US and hence the numbers are not strictly comparable.

## **Taro Performance**

Taro posted Q1FY21 sales of US\$ 117.6 million, down 27% over Q1 last year. Excluding the one-time settlement charge of US\$ 478.9 million, net profit was US\$ 29 million compared to US\$ 66.2 million in Q1FY20. Taro's reported net loss for Q1 was US\$ 434.9 million.

Taro reported settlements and loss contingencies of US\$ 478.9 million, which reflect the one-time settlement charge of US\$ 418.9 million related to the global resolution of the Department of Justice investigations into the U.S. generic pharmaceutical industry. An additional provision of US\$ 60 million has been taken for the related ongoing multi-jurisdiction civil antitrust matters. The ultimate outcome of the antitrust matters cannot be predicted with certainty.

## **Emerging Markets**

Our sales in emerging markets were at US\$ 173 million for Q1, a decline of 10.5% over same quarter last year. Overall sales in emerging markets accounted for about 18% of total consolidated sales for the quarter.

## **Rest of World Markets**

Formulation sales in Rest of World (ROW) markets, excluding US and Emerging Markets, were US\$ 136 million in Q1FY21, down by 18.5% over Q1 last year and accounted for approximately 14% of total consolidated sales.

## **Active Pharmaceutical Ingredients (API): Strategic strength**

In Q1FY21, external sales of API were at Rs. 554 crores, a growth of 20% over Q1 last year. Our API business imparts benefits of vertical integration and continuity of supply chain for our formulations business. We continue to increase the API supply for captive consumption for key products.

## **Research – Investing for future**

Consolidated R&D investment for Q1FY21 was Rs. 421 crores, or 5.6% of sales as compared to Rs. 422 crores (5.1% of sales) for Q1 last year.

We have a comprehensive product offering in the US market consisting of approved ANDAs for 491 products while filings for 95 ANDAs await US FDA approval, including 20 tentative approvals. For the quarter, 7 ANDAs were filed and 8 approvals were received. Additionally, the pipeline includes 55 approved NDAs while 6 NDAs await US FDA approval.

## Sales and R&D

Particulars	Quarter ended			(Rs in Crore)
	30.06.2020	31.03.2020	30.06.2019	Year ended 31.03.2020
India Formulations	2,388.43	2,364.80	2,313.67	9,710.21
US Formulations	2,136.41	2,712.88	2,947.43	10,542.50
Emerging Market	1,316.06	1,353.97	1,348.57	5,504.37
ROW Formulations	1,029.97	1,121.22	1,159.13	4,520.96
<b>Total Formulations</b>	<b>6,870.87</b>	<b>7,552.87</b>	<b>7,768.80</b>	<b>30,278.04</b>
Bulk	553.74	483.43	461.18	1,915.91
Others	42.58	41.73	29.32	131.22
<b>Total Sales</b>	<b>7,467.19</b>	<b>8,078.03</b>	<b>8,259.30</b>	<b>32,325.17</b>
<b>Total R&amp;D Expenditure</b>	<b>420.60</b>	<b>536.00</b>	<b>422.33</b>	<b>1,973.58</b>
Capital	5.41	15.49	15.67	48.41
Revenue	415.19	520.51	406.66	1,925.17
Exchange Rates : US\$ 1 = Rs	75.86	72.42	69.56	

### **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.

### **Earnings Call** (06.30 pm IST, July 31, 2020)

The Company will host an earnings call at 06.30 pm IST on July 31, 2020, 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 5064 1325

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

*Playback of call:* +91 22 7194 5757 / +91 22 6663 5757, Conference ID: 82390

*Web-cast* More details will be provided through our website, [www.sunpharma.com](http://www.sunpharma.com)

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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](http://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% of annual revenues in R&D. For further information, please visit [www.sunpharma.com](http://www.sunpharma.com) & follow us on Twitter @SunPharma\_Live

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