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Sun Pharma reports Q4FY21 results

Q4 Gross Sales at Rs. 84,314 million up 4% YoY

Q4 Adjusted Net Profit at Rs. 13,430 million up 103% YoY

Mumbai, May 27, 2021: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the fourth quarter & full year ending March 31st, 2021.

Highlights of Q4FY21 consolidated financials

- Consolidated sales from operations at Rs. 84,314 million, growth of 4.4% over Q4 last year
- India sales at Rs. 26,709 million, growth of 12.9% compared to Q4 last year
- US finished dosage sales at US\$ 370 million, decline of 1.3% over same quarter last year
- Emerging Markets sales at US\$ 192 million, up by 2.8% over Q4 last year
- Rest of World sales at US\$ 163 million, up by 5.5% over Q4 last year
- R&D investments at Rs. 5,571 million (6.6% of sales) compared to Rs. 5,360 million (6.6% of sales) for Q4FY20
- EBITDA at Rs. 19,568 million, up by 55.8% over Q4 last year, with resulting EBITDA margin of 23.2%
- Adjusted net profit for quarter was at Rs. 13,430.7 million, up by 103.3% YoY, after excluding the exceptional items of Rs. 6,728.1 million, the exceptional tax item of Rs. 1,212.3 million and relevant minority interest of Rs. 1,026.6 million. Reported net profit for Q4FY21 at Rs. 8,941.5 million, up 124% over Q4 last year.

Highlights of full year FY21 consolidated financials

- Consolidated sales from operations at Rs. 331,392 million, up by 2.5% over same period last year.
- India sales at Rs. 103,432 million, up by 6.5% over same period last year.
- US finished dosage sales at US\$ 1,360 million, a decline of 8.5% over same period last year. Sales for full year 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\$ 780 million, flat over same period last year.
- Rest of World sales at US\$ 650 million, up by 1.9% over same period last year.
- R&D investments at Rs. 21,499 million (6.5% of sales) compared to Rs. 19,736 million (6.1% of sales) for last year
- EBITDA at Rs. 81,324 million, up by 25.5% over last year, with resulting EBITDA margin of 24.5%.
- Adjusted net profit for the year was at Rs. 59,317.8 million, up by 47.4% YoY, after excluding the exceptional items of Rs. 43,061.4 million, the exceptional tax item of Rs. 4,095.1 million and relevant minority interest of Rs. 8,686.7 million. Reported net profit for FY21 was at Rs. 29,038.2 million, lower by 23% over last year.

These results were taken on record by the Board of Directors at a meeting held today. The Board has proposed a final dividend of Rs. 2.0 per share for the year FY21, in addition to the interim dividend of Rs. 5.50 per equity share declared on January 29, 2021.

Dilip Shanghvi, Managing Director of the Company said, "FY21 was a year marked by a highly volatile business environment due to the global Covid-19 pandemic and lockdowns in various countries. Despite these challenges, I am happy to see that we have been able to maintain business continuity and record positive overall growth. While our India business continues to outperform the average industry growth, our global specialty sales have continued to show an improving trend. Global Ilumya sales for the year have grown by 51% to US\$ 143 million."

Sun Pharmaceutical Industries Limited

SUN HOUSE, CTS No. 201 B/1,
Western Express Highway, Goregaon (E),
Mumbai 400063, India
Tel.: (91-22) 4324 4324 Fax.: (91-22) 4324 4343
CIN: L24230GJ1993PLC019050
www.sunpharma.com



Debt Repayment

The company has repaid debt of about US\$ 580 million in FY21 compared to the debt as of March 31, 2020.

India Business – Market Leadership

Sale of branded formulations in India for Q4FY21 were at Rs. 26,709 million, up by 12.9% over Q4 last year, accounting for 31.7% of total sales. For the full year FY21, sales were at 103,432 million, up by 6.5% over same period last year.

Sun Pharma is ranked No. 1 and holds approximately 8.2% market share in the over Rs. 1,474,000 million Indian pharmaceutical market as per AIOCD AWACS MAT March-2021 report. For Q4FY21, the company launched 31 new products in the Indian market.

US Formulations (including Taro)

Sales in the US were US\$ 370 million, a decline of 1.3% over Q4 last year and accounting for about 32% of total consolidated sales. For full year FY21, sales were US\$ 1,360 million recording a de-growth of 8.5% over same period last year. Sales for last year included a one-time contribution from the special business in US and hence the full year numbers are not strictly comparable.

Taro Performance

Taro posted Q4FY21 sales of US\$ 148 million, down 15.3% YoY and adjusted net profit of US\$ 31 million, down by 42.6% over Q4 last year. Taro's reported net loss for Q4FY21 was US\$ 29.8 million. For the full year FY21, sales were US\$ 549 million, down by 14.9% over same period last year. Adjusted net profit for FY21 was US\$ 141 million compared to US\$ 244 million in FY20. Taro's reported net loss for FY21 was US\$ 387 million.

Emerging Markets

Our sales in Emerging Markets were at US\$ 192 million for Q4, a growth of 2.8% over Q4 last year. Overall sales in Emerging Markets accounted for about 17% of total consolidated sales for the quarter. For the full year FY21, sales were US\$ 780 million, flat over same period last year.

Rest of World Markets

Formulation sales in Rest of World (ROW) markets, excluding US and Emerging Markets, were US\$ 163 million in Q4FY21, up by 5.5% over Q4 last year and accounted for approximately 14% of total consolidated sales. For the full year FY21, sales were US\$ 650 million, up by 1.9% over same period last year.

Active Pharmaceutical Ingredients (API): Strategic strength

For Q4FY21, external sales of API were at Rs. 4,357 million, down 9.9% over Q4 last year. For the full year FY21, API sales were at Rs. 19,504 million, up by 1.8% over same period 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 supply for captive consumption for key products.

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Research – Investing for future

Consolidated R&D investment for Q4FY21 was Rs. 5,571 million, or 6.6% of sales as compared to Rs. 5,360 million (6.6% of sales) for Q4 last year. For the full year FY21, R&D expense was Rs. 21,499 million, or 6.5% of sales.

Our R&D effort spans 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 501 products while filings for 94 ANDAs await US FDA approval, including 23 tentative approvals. For the quarter, 8 ANDAs were filed and 5 approvals were received. Additionally, the portfolio includes 55 approved NDAs while 9 NDAs await US FDA approval.

Sales Mix and R&D

(₹ in Mn)

Particulars	Quarter ended			Year ended	
	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
India Formulations	26,708.6	27,527.9	23,648.0	103,432.1	97,102.1
US Formulations	26,945.8	27,608.8	27,128.8	100,838.5	105,425.0
Emerging Market	14,015.2	15,070.7	13,539.7	57,834.3	55,043.7
ROW Formulations	11,913.0	12,758.4	11,212.2	48,190.6	45,209.6
Total Formulations	79,582.6	82,965.8	75,528.7	310,295.5	302,780.4
Bulk	4,356.8	4,504.9	4,834.3	19,503.5	19,159.1
Others	374.4	347.7	417.3	1,592.8	1,312.2
Total Sales	84,313.8	87,818.4	80,780.3	331,391.8	323,251.7
Total R&D Expenditure	5,571.1	5,595.0	5,360.0	21,499.4	19,735.8
Capital	184.6	79.8	154.9	471.2	484.1
Revenue	5,386.5	5,515.2	5,205.1	21,028.2	19,251.7
Exchange Rates : \$ 1 = ₹	72.91	73.77	72.42		

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, May 27, 2021)

The Company will host an earnings call at 06.30 pm IST on May 27, 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 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: 03416

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

Contacts

Investors:

Nimish Desai
Tel +91 22 4324 4324, Xtn 2778
Tel Direct +91 22 4324 2778
Mobile +91-98203 30182
E mail nimish.desai@sunpharma.com

Media:

Gaurav Chugh
Tel +91 22 4324 4324, Xtn 5373
Tel Direct +91 22 4324 5373
Mobile +91 98104 71414
E mail Gaurav.chugh@sunpharma.com