

Sun Pharmaceutical Industries Limited

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FOR IMMEDIATE RELEASE

Sun Pharma reports Q1FY23 results

Q1 Gross Sales at Rs. 106,440 million up 10.1% YoY

Q1 Net Profit at Rs. 20,609 million up 42.7% YoY

Mumbai, July 29, 2022: Sun Pharmaceutical Industries Limited (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the first quarter ending June 30th, 2022.

Highlights of Q1FY23 consolidated financials

- Gross sales at Rs. 106,440 million, growth of 10.1% over Q1 last year. Excluding Covid products sales for Q1 last year, overall sales are up by about 14%
- India formulation sales at Rs. 33,871 million, up 13% on like-to-like basis, excluding Covid products sales of Q1 last year. On reported basis, the growth is 2.4% over Q1 last year
- US formulation sales at US\$ 420 million, growth of 10.7% over Q1 last year
- Emerging Markets formulation sales at US\$ 245 million, up by 12.6% over Q1 last year
- Rest of World formulation sales at US\$ 190 million, up by 2.6% over same quarter last year
- R&D investments at Rs. 4,608 million compared to Rs. 5,926 million for Q1FY22
- EBITDA at Rs. 28,844 million (including other operating revenues), with EBITDA margin at 26.8%
- Net profit for the quarter was at Rs. 20,609 million, up by 42.7% YoY. Excluding the exceptional items of Q1 last year, adjusted net profit was up by 4.1%.
- Production Linked Incentive (PLI) scheme – will help in further improving technology capabilities, capacity utilization and competitiveness.

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

Dilip Shanghvi, Managing Director of the Company said, "For Q1, all our businesses recorded good growth, driven by a combination of sustained scale-up for our specialty business and all-round growth across markets. Specialty business has grown by 29% driven by Ilumya, Cequa, Odomzo and Winlevi. Our India business continues to grow faster than market, leading to increase in market share. We have been able to report healthy margins despite rising costs. We continue to focus on expanding our global specialty business, growing all our businesses and improving our market share."

India Business – Market Leadership

Sales of formulations in India for Q1FY23 were at 33,871 million, up 13% on like-to-like basis, excluding Covid products sales of Q1 last year. On reported basis, the growth is 2.4% over Q1 last year. India formulation sales accounted for about 32% of total consolidated sales.

Sun Pharma is ranked No. 1 and market share has increased from 8.0% to 8.5% in the over Rs. 1,700 Billion Indian pharmaceutical market as per AIOCD AWACS MAT June-2022 report. For Q1FY23, the company launched 22 new products in the Indian market.

US Formulations (including Taro)

Formulation sales in the US were US\$ 420 million recording a growth of 10.7% over Q1 last year; accounting for over 30% of total consolidated sales.

Taro Performance

Taro posted Q1FY23 sales of US\$ 157 million and net profit of US\$ 14 million. Taro's financials include the first full quarter of consolidation of the Alchemee acquisition.

Emerging Markets

Our sales in Emerging Markets were at US\$ 245 million for Q1, a growth of 12.6% over Q1 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\$ 190 million in Q1FY23, up by 2.6% over Q1 last year and accounted for approximately 14% of total consolidated sales.

Active Pharmaceutical Ingredients (API): Strategic strength

For Q1FY23, external sales of API were at Rs. 5,987 million, up by 16.3% over Q1 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.

Research – Investing for future

Consolidated R&D investment for Q1FY23 was Rs. 4,608 million as compared to Rs. 5,926 million for Q1 last year. 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. Our specialty R&D pipeline includes 4 molecules undergoing clinical trials. We have a comprehensive product offering in the US market consisting of approved ANDAs for 515 products while filings for 89 ANDAs await US FDA approval, including 28 tentative approvals. For the quarter, 3 approvals were received. Additionally, the portfolio includes 54 approved NDAs while 13 NDAs await US FDA approval.

Revenue Breakup and R&D Investments

Particulars	Quarter ended			Year ended
	30.06.2022	31.03.2022	30.06.2021	31.03.2022
India Formulations	33,871.0	30,956.3	33,083.5	127,593.4
US Formulations	32,437.1	29,245.8	28,000.1	113,736.6
Emerging Market	18,910.8	15,474.5	16,052.6	67,431.6
ROW Formulations	14,678.2	13,407.0	13,680.0	54,544.5
Total Formulations	99,897.1	89,083.6	90,816.2	363,306.1
Bulk	5,987.1	4,136.7	5,148.9	18,354.3
Others	555.5	640.5	729.2	2,603.8
Total Sales	106,439.7	93,860.8	96,694.3	384,264.2
Total R&D Expenditure	4,608.2	5,432.9	5,926.0	22,194.0
Capital Expenditure	109.9	243.8	177.9	868.9
Revenue Expenditure	4,498.3	5,189.1	5,748.1	21,325.1
Exchange Rate : US\$ 1 = ₹	77.16	75.21	73.75	

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Earnings Call (06.30 pm IST, July 29, 2022)

The Company will host an earnings call at 06.30 pm IST on July 29, 2022, 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, PlaybackCode: 53264
+91 22 6663 5757

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% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

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