

Sun Pharmaceutical Industries Ltd.,
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



7 November 2019.

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051.

BSE Limited,
Market Operations Dept.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Press Release

Please find enclosed herewith our Press Release relating to second quarter FY20 financials, which we shall be releasing after sending this letter to you. This is for your information and record.

Thanking you,

Yours faithfully,
For Sun Pharmaceutical Industries Ltd

A handwritten signature in blue ink, appearing to read "A. I. Bhuta".

Ashok I. Bhuta
Compliance Officer

Encl: as above

FOR IMMEDIATE RELEASE

Sun Pharma reports Q2FY20 results

*Q2 Gross Sales at Rs. 7,949 crores up 16% YoY
Q2 Net Profit at Rs. 1,064 crores up 12.6% YoY*

Mumbai, November 07, 2019: Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE: SUNPHARMA, BSE: 524715) reported financials for the second quarter & first half ending September 30th, 2019.

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%.

Highlights of H1FY20 consolidated financials

- Sales / Income from operations at Rs. 16,208 crores, growth of 16% over same period last year.
- India sales at Rs. 4,828 crores, up by 20% over H1 last year.
- US finished dosage sales at US\$ 763 million up by 6% over H1 last year.
- Emerging Markets sales at US\$ 394 million up by 1% over H1 last year.
- Rest of World sales at US\$ 328 million, growth of 52% over H1 last year.
- EBITDA at Rs. 3,496 crores up by 18% over H1 last year, with resulting EBITDA margin of 21.6%.
- Net profit for H1FY20 at Rs. 2,452 crores, with resulting net profit margin at 15.1%. Adjusted for the exceptional item of Rs. 1,214 crores for H1 last year, net profit growth was 22.5%.

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, "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."

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 (including Taro)

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

Our 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 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

Our 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.

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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.

Earnings Call (06.30 pm IST, November 07, 2019)

The Company will host an earnings call at 06.30 pm IST on November 07, 2019, 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
Primary number: +91 22 6280 1278 / +91 22 7115 8179
Playback of call: +91 22 7194 5757 / +91 22 6663 5757, Conference ID: 89339

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 Ltd. (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 7% of annual revenues in R&D. For further information, please visit www.sunpharma.com & follow us on Twitter @SunPharma_Live

Contacts

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