



SUN PHARMACEUTICALS INDUSTRIES LTD.



ISIN CODE: INE044A01036 BSE: 524715 NSE: SUNPHARMA CMP: 778.95

OVERVIEW

Wed, 24th Nov '21

- Sun Pharmaceutical Industries Limited, and its subsidiaries together constitute the universe of Sun Pharma.
- It is a leading specialty generics pharmaceutical company with a strong presence in India and the US markets.
- The Company has manufacturing capabilities for a variety of dosage forms, such as injectables, sprays, ointments, creams, liquids, hormones, drug delivery systems, tablets and capsules.
- It aims to deliver quality products at affordable prices, and over the years, has earned the trust of patients and medical professionals across its key markets.

KEY STRENGTH

- No.1 & largest pharma company in India by market share
- 4th Largest specialty generic pharma company globally and largest Indian pharmaceutical company in Japan
- Among the largest Indian pharma companies in emerging markets
- 2nd in the US dermatology market (by prescriptions).

ACHIEVEMENTS

- As per SMSRC data for February 2021, Sun Pharma is ranked No. 1 by prescriptions with 10 different classes of doctors.
- Portfolio of specialty products, branded generics and pure generics across 100+ countries globally.
- Continued new launches momentum with 96 new introductions in India.
- Over the last two decades, Sun Pharma has grown in the US as a valued supplier to some of the largest wholesalers, distributors, and chain drugstores
- Sun Pharma has 30 finished dosage manufacturing facilities, while its 14 API facilities provide captive support.

GROWTH DRIVERS

- Ramp-up specialty business globally
- Focus on developing technically complex generic products.
- Achieve critical mass across key geographies
- Speed to market – in terms of launching new products
- Leverage benefits of vertical integration
- Use acquisitions to bridge critical product and capability gaps
- Ensure acquisitions yield high return on investment
- Sustain investments directed towards developing specialty products and

OPPORTUNITIES

- Over the next five years, an average of 54-63 new active substances (NAS) are expected to be launched globally per year.
- In the next five years, the impact of patent expiries is estimated to be about US\$166 Billion
- Oncology and immunology are the two leading global therapy areas that are forecast to grow at CAGR of 9-12% through 2025.
- The pandemic has resulted in increased healthcare awareness globally. This augurs well for companies like Sun Pharma, which can supply high-quality pharmaceutical products at affordable prices.

FINANCIAL HIGHLIGHTS

- Gross sales increased to Rs. 331 billion in FY-21 as compared to Rs. 323 billion in FY-20.
- EBITDA has also increased to Rs. 81 billion during this year as compared to Rs. 65 billion in FY-20.
- Adjusted Net Profit after Minority Interests was at Rs. 59 billion in FY-21, against Rs. 40 billion last year.
- D/E ratio decreased by 56% to 0.08 times, against 0.18 times last year

Disclaimer: The analysis is only for information purposes only. Please consult your financial advisor, agent and broker before acting on any information. We may or may not have positions in the stock. We would not be responsible for the profit/loss resulting from this analysis.

Growth Rates % (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue	2.0	8.1	3.6	19.3
Operating Income	30.0	16.2	-3.1	13.9
Earnings/Share	-22.9	11.6	-8.5	3.3
Dividends	13.0	22.9	16.7	16.8
Book Value/Share	2.7	6.6	7.2	15.5
Stock Total Return	51.1	14.6	3.2	12.4
Market +/-	22.9	-1.7	-7.5	2.7

Valuation Ratio	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	30.1	44.5	27.5	16.0
Forward P/E	26.0	-	-	-
Price/Cash Flow	23.4	26.8	44.4	10.4
Price/Free Cash Flow	28.5	48.4	-	-
Dividend Yield %	1.0	0.5	0.7	2.6
Price/Book	3.8	3.7	3.9	2.2
Price/Sales	5.3	4.6	3.9	-

Profitability Ratio	Current	5Yr Avg	Ind.	Mkt.
Return on Equity	13.2	9.5	14.4	15.4
Return on Asset	9.1	5.9	8.3	5.6
Gross Margin	70.2	68.7	60.8	-
Operating Margin	21.1	18.6	20.6	-
Net Margin	17.0	11.9	14.5	21.6
Inventory Turns	1.3	1.3	1.6	-
Fixed Asset Turns	3.3	2.9	2.6	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	62,730	69,479
Inventories	89,970	87,023
Receivables	—	—
Current Assets	3,04,421	3,20,782
Fixed Assets	1,11,715	1,10,117
Intangibles	1,19,483	1,22,071
Total Assets	6,76,667	6,90,544
Payables	50,589	42,941
Short-Term Debt	28,688	11,353
Current Liabilities	1,61,456	1,48,082
Long-Term Debt	6,547	6,547
Total Liabilities	1,81,869	1,65,924
Total Equity	4,64,628	4,95,363

Source: Company filings & Analyst Research