

Sun Pharmaceutical Industries Limited

**(Unaudited Standalone and Consolidated Financial Results for
quarter and half year ended 30 September, 2025)**

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Introduction & Basis of Preparation

Sun Pharmaceutical Industries Ltd. (Sun Pharma) is a leading global pharmaceutical company headquartered in Mumbai, India. It manufactures and markets a wide range of branded and generic medicines, specialty products, and active pharmaceutical ingredients (APIs) across multiple therapeutic areas. The company operates in more than 100 countries, with major markets in India, the U.S., and other emerging regions.

The financial statements of Sun Pharma are prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. They follow the historical cost convention except for certain financial instruments measured at fair value. The statements are presented in Indian Rupees (₹), rounded to the nearest crore, and the accounting policies have been applied consistently across periods.

Company Overview

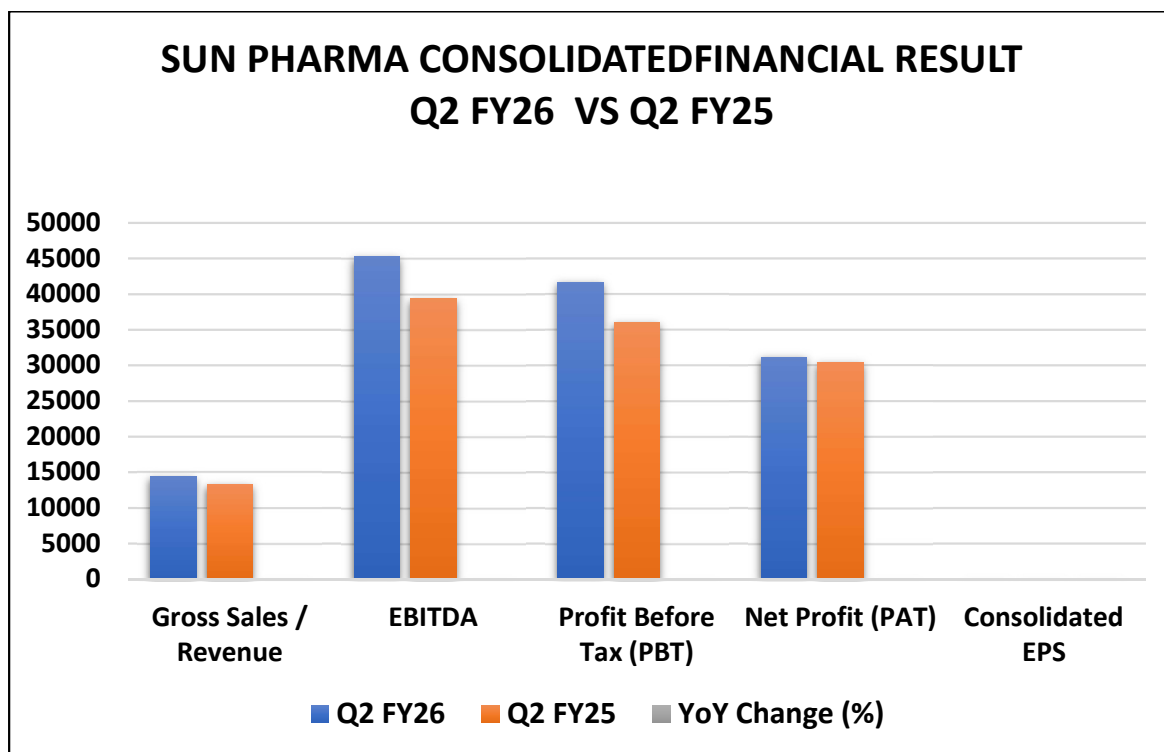
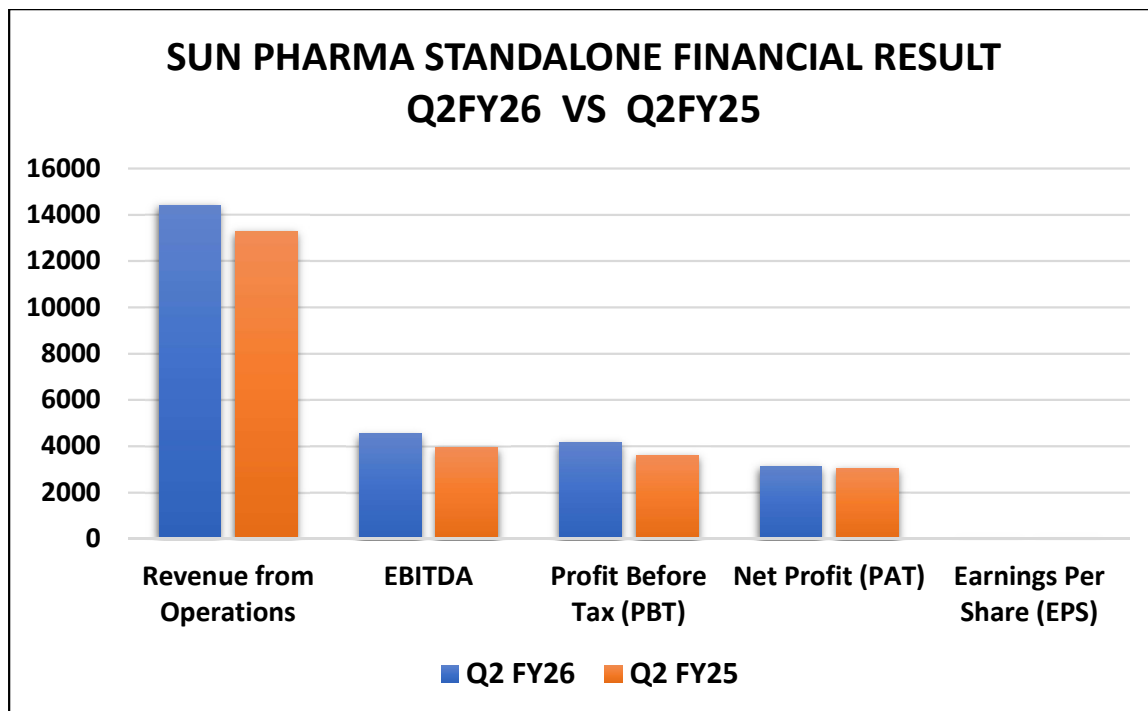
Attribute	Details
Name	Sun Pharmaceutical Industries Ltd.
Founded	1983
Headquarters	Mumbai, Maharashtra, India
Parent Group	Sun Group
Business Segments	Formulations, Active Pharmaceutical Ingredients (APIs), Specialty, and Generic Medicines
Major Brands	Lipodox, Pantocid, Volini, Revital, Imdur, and Levroxa
Retail Presence	Operates in over 100 countries through distributors, subsidiaries, and direct marketing
Employees	Over 37,000 (approx.)
Market Position	India's largest pharmaceutical company and the 4th largest generic drug manufacturer globally

Standalone Financial Results Summary

Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Revenue from Operations	₹14,405.2 crore	₹13,264-13,291 crore	+8.6-8.9 %
EBITDA	₹4,527 crore	₹3,940 crore	14-15 %
Profit Before Tax (PBT)	₹4,167.6 crore	₹3,597.9 crore	+16%
Net Profit (PAT)	₹3,118.0 crore	₹3,040.2 crore	+2.6%
Earnings Per Share (EPS)	₹13.0	₹12.7	+2.4%

Consolidated Financial Results Summary

Metric	Q2 FY26	Q2 FY25	YoY Change (%)
Gross Sales / Revenue	₹14,405.2 crore	₹132,642 million	+8.6 %
EBITDA	₹45,271 million	₹39,377 million	+14.9 %
Profit Before Tax (PBT)	₹41,676 million	₹35,979 million	+15.8 %
Net Profit (PAT)	₹31,180 million	₹30,402 million	+2.6 %
Consolidated EPS	₹13.0	₹12.7	+2.4 %



Key Highlights & Insights

Company Overview

- Founded in 1983 by Dilip Shanghvi; headquartered in Mumbai, India.
- India's largest pharmaceutical company and among the top global specialty/generic players.
- Operates in 100+ countries with 40+ manufacturing facilities worldwide.

Business Segments

- Branded & Generic Formulations
- Specialty / Innovative Therapies (Dermatology, Oncology, Ophthalmology, Rare Diseases)
- Active Pharmaceutical Ingredients (API)
- Consumer Healthcare / OTC (e.g., Revital, Volini, Pepfiz)

Market & Presence

- Holds ~8–9% market share in India's pharma formulations market.
- Strong leadership in cardiology, neuropsychiatry, diabetology, gastro, and pain management.
- Growing footprint in emerging markets and developed regions (U.S., Europe).

Financial Highlights (Recent Trends)

- Revenue Growth: ~8–10% YoY growth driven by India and specialty business.
- EBITDA Margins: Stable around 29–30%.
- Net Profit: Continues double-digit growth with improved operational efficiency.
- R&D Spend: Around 6–8% of revenue, indicating strong innovation focus.

Strategic Focus

- Shift towards high-margin specialty drugs and innovative therapies.
- Expanding consumer healthcare portfolio for brand-driven growth.
- Acquisitions & partnerships to enhance global presence and pipeline.
- Strengthening R&D capabilities for complex generics and new drug development.
- Expanding India presence through increased field force and Tier-II/III market penetration.

Challenges / Risks

- Regulatory risks (especially U.S. FDA inspections and compliance).
- Price pressure in global generics markets.
- R&D uncertainty in new molecule development.
- Dependence on key markets like India and U.S.
- Competition from both domestic and multinational pharma firms.

Strategic Business Initiatives

Focus on Specialty Portfolio

Expanding specialty product offerings, especially in dermatology, ophthalmology, and oncology.

Key brands include *Ilumya*, *Cequa*, and *Odomzo*.

Innovation & R&D Investment

Significant investment in research and development to build a strong pipeline of complex generics and novel formulations.

Establishing global R&D centers focused on differentiated products and biosimilars.

Geographical Diversification

Strengthening presence in the US, India, and emerging markets.

Expanding branded and generic product portfolios in high-growth international markets.

Digital Transformation

Leveraging digital tools and data analytics for marketing, supply chain optimization, and patient engagement.

Initiatives to improve digital interactions with healthcare professionals.

Operational Efficiency & Cost Optimization

Implementing productivity initiatives across manufacturing and supply chain to enhance margins.

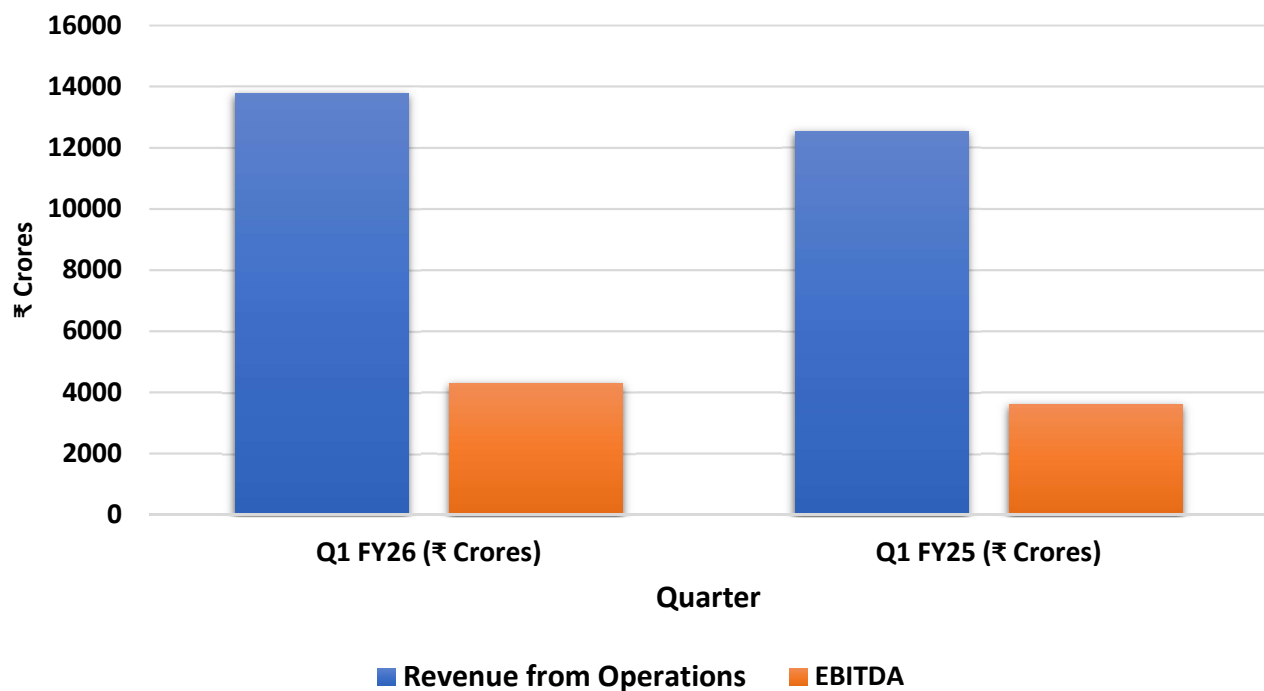
Rationalizing manufacturing sites for efficiency and sustainability.

Industry & Market Outlook

Industry Outlook: India's pharmaceutical industry continues to play a crucial role in supporting global healthcare needs through cost-effective and quality-driven drug manufacturing. With India being one of the largest suppliers of generic medicines worldwide, the sector is positioned for sustained growth driven by rising healthcare expenditure, aging populations, and increasing access to healthcare in emerging markets. The government's initiatives such as "Make in India," "Production Linked Incentive (PLI) Scheme," and efforts to strengthen the domestic API ecosystem are further catalyzing growth. Additionally, the focus on innovation, biosimilars, and specialty drugs is reshaping the competitive landscape. However, the industry continues to face headwinds such as pricing pressures in key export markets, regulatory compliance challenges, and currency fluctuations. In the coming years, the pharmaceutical sector is expected to witness steady growth with increased investments in R&D, digital healthcare solutions, and expansion into high-margin specialty and chronic therapy segments.

Market Outlook: The market outlook for Sun Pharmaceutical Industries Ltd. (Sun Pharma) remains robust, supported by a diversified product portfolio, strong global presence, and consistent focus on specialty and branded generics. As India's largest pharmaceutical company and a key player in the U.S. generics and specialty market, Sun Pharma is well-positioned to benefit from sustained demand across chronic therapies such as dermatology, oncology, cardiology, and ophthalmology. The company's strategic initiatives—ranging from product innovation, acquisitions, and R&D investments to digital transformation—are expected to enhance operational efficiency and profitability. In the medium term, growth will be driven by specialty product launches, expansion in emerging markets, and steady performance in the domestic formulation business. In the long run, Sun Pharma aims to strengthen its global leadership by maintaining a balanced portfolio across generics, branded, and specialty segments while continuing to deliver sustainable and patient-centric healthcare solutions.

Revenue & EBITDA Comparison - Sun Pharma



Sustainability & ESG Practices

Environmental Practices

- Target to reduce Scope 1 & 2 carbon emissions by 35% by 2030 (baseline 2020).
- Achieved 18% reduction in carbon emissions till FY 2024.
- Net Zero by 2050 commitment.
- 38% of total energy sourced from renewable sources.
- 21% reduction in total water consumption and 44% reduction in water intensity.
- 16 manufacturing sites achieved Zero Liquid Discharge (ZLD) status.
- Strong focus on waste management and pollution control systems.
- Facilities certified with ISO 14001 (Environmental Management System).

Social Responsibility

- CSR expenditure: ₹1,164 million in FY 2023–24.
- Reached over 1 million beneficiaries through various programs.
- Key CSR focus areas: healthcare, education, clean water, sanitation, and livelihood.
- Partnership with WOTR – created 5.2 billion litres of water-harvesting capacity in rural Maharashtra.
- Women empowerment programs – training and support for rural entrepreneurs.
- Clean water projects – RO plants and sanitation facilities in schools.
- Ensures employee safety and welfare through ISO 45001 certified plants.

Governance

- ESG reporting aligned with TCFD and global standards.
- Included in S&P Global Sustainability Yearbook 2024.
- Strong EHS (Environment, Health & Safety) governance framework across all operations.
- Board-level oversight on ESG and sustainability matters.

Key Achievements

- Emission intensity reduced significantly.
- Increased renewable energy adoption across plants.
- Effective water conservation and waste-reduction initiatives.
- Positive community impact through healthcare and education.
- Recognized globally for ESG performance.

Improvement Areas

- Need to disclose Scope 3 emissions (supply chain).
- Limited data on diversity and inclusion.
- Strengthen ESG-linked KPIs in management performance.

Investment Insights

Strengths / Opportunities

- India's largest pharma company with strong domestic presence.
- Consistent growth in India business (~13–14%).
- Expanding focus on high-margin specialty & innovative drugs.
- Rising R&D investment (~6% of sales) to build future pipeline.
- Strong global footprint across 100+ countries.
- Analysts maintain “Buy” rating with 12-month target ~₹1,900–2,000.

Risks / Challenges

- US generics face pricing and regulatory pressure.
- High valuation (P/E ~35–38x) compared to peers.
- Execution risk in specialty segment and long payback period.
- Global regulatory and compliance risks remain.

Financial & Growth Outlook

- Projected earnings CAGR ~18–19% (FY24–26).
- Specialty segment now ~18% of revenue, rising each year.
- Consistent dividend payout and strong balance sheet.

Investor Takeaway

- Long-term growth story with strong fundamentals.
- Attractive for investors seeking innovation-driven pharma exposure.
- Entry timing important due to premium valuation.

Conclusion

Sun Pharmaceutical Industries Ltd. continues to demonstrate strong operational excellence, financial resilience, and strategic agility. With a diversified portfolio spanning branded, generic, and specialty drugs, the company maintains its leadership position both in India and global markets. Its sustained focus on R&D, innovation, and specialty product expansion supports long-term value creation and competitive differentiation.

The company's prudent cost management, digital transformation initiatives, and commitment to ESG principles further enhance its sustainability and stakeholder trust. Despite challenges such as pricing pressures and regulatory risks, Sun Pharma's robust pipeline, global presence, and strategic investments position it well for sustained growth and profitability in the coming years.

Overall, Sun Pharma remains a well-diversified and innovation-driven pharmaceutical leader, focused on delivering quality healthcare solutions worldwide while driving long-term shareholder value.

