Sun Pharmaceutical Industries Limited

FINANCIAL ANALYSIS FOR THE YEARS 2024-25 & 2023-24

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Sun Pharmaceutical Industries Limited

Financial Analysis Report

Fiscal Years 2024-25 and 2023-24

Executive Summary

In FY2024-25, Sun Pharmaceutical Industries Limited achieved a consolidated revenue of ₹532.65 billion, marking a 9.8% increase from the previous year. Despite this growth, the company faced challenges, including a 19% decline in net profit to ₹21.54 billion, primarily due to one-time charges related to U.S. operations restructuring and investment impairments. Conversely, FY2023-24 showcased robust performance with a 10.5% revenue growth to ₹484.97 billion and a 13% rise in net profit to ₹95.76 billion. The company's consistent dividend pay-outs reflect its commitment to shareholder value.

Company Overview

- **Name:** Sun Pharmaceutical Industries Limited
- **Founded:** 1983
- **Headquarters:** Mumbai, Maharashtra, India
- **Industry:** Pharmaceuticals
- **Operations:** Global presence with a focus on formulations, generics, and specialty medicines.

Objectives of the Report

- Analyse and compare the financial performance of Sun Pharmaceutical Industries Limited for FY2024-25 and FY2023-24.
- Assess key financial metrics and ratios to evaluate profitability, liquidity, and operational efficiency.
- Provide insights into market performance and strategic initiatives undertaken during these fiscal years.

Financial Statements Overview

Income Statement Highlights

Metric	FY 2024-25	FY 2023-24
Revenue (₹ billion)	532.65	484.97
Net Profit (₹ billion)	21.54	95.76
EPS (₹)	39.9	39.9
Dividend per Share (₹)	5.5	13.5

Balance Sheet Highlights

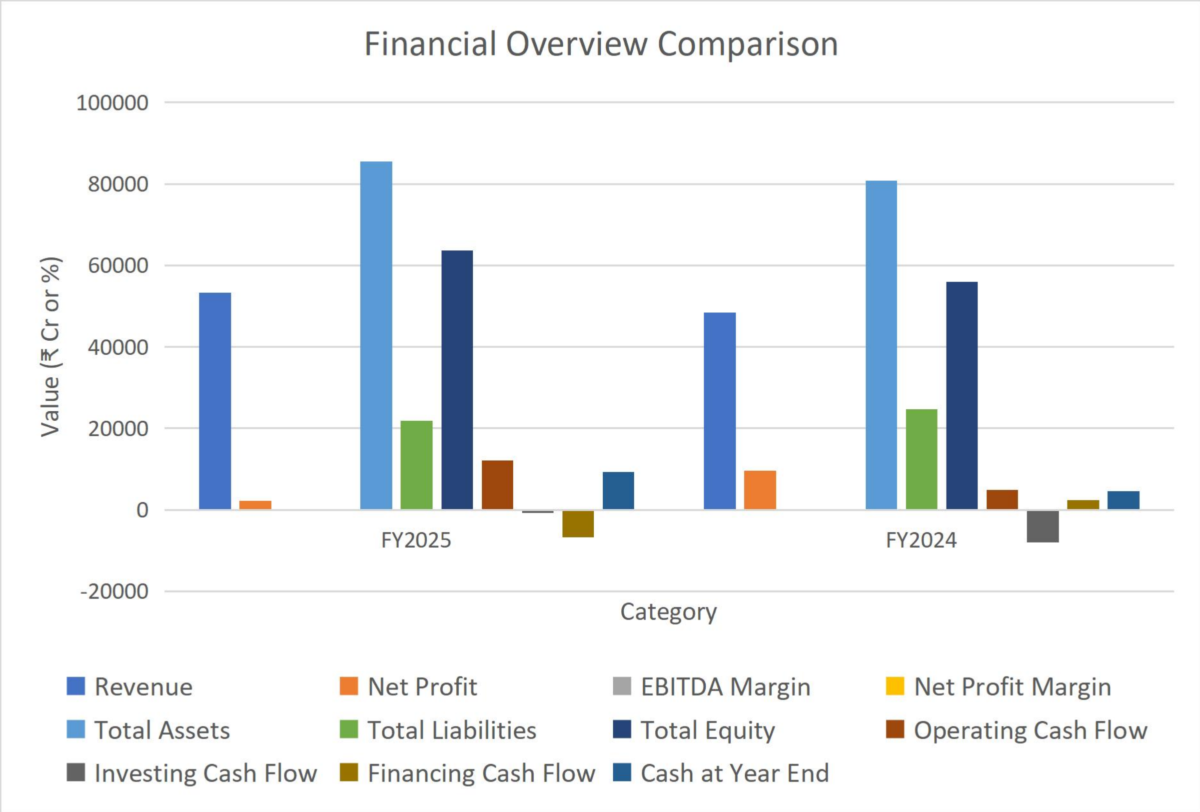
Particulars	FY 2024-25	FY 2023-24
ASSETS		
Total Assets	85,463	80,744
Fixed Assets (Net)	23,211	24,065
Capital Work-in-Progress	5,354	4,973
Investments	15,026	14,824
Other Assets	41,872	36,881
LIABILITIES		
Total Liabilities	21,796	24,748
- Current Liabilities	16,984	19,906
- Non-Current Liabilities	1,373	1,522
- Deferred Tax Liability	155	32
- Minority Interest	3,439	3,320
EQUITY		
Share Capital	240	240
Reserves & Surplus	63,427	55,755
Total Equity	63,667	55,995

Cash Flow Statement Highlights

Particulars	FY 2024-25	FY 2023-24
Cash Flow from Operating Activities	12,135	4,959
Cash Flow from Investing Activities	-690	-7,944
Cash Flow from Financing Activities	-6,710	2,376
Net Increase/(Decrease) in Cash and Cash Equivalents	4,662	115
Cash and Cash Equivalents at Beginning of Year	4,624	4,508
Cash and Cash Equivalents at End of Year	9,286	4,624

Key Financial Ratios Analysis

Ratio	FY 2024-25	FY 2023-24
EBITDA Margin (%)	28.68	26.9
Net Profit Margin (%)	22.17	19.75
Return on Assets (ROA) (%)	12.9	11.52
Return on Equity (ROE) (%)	17.09	16



Financial Overview Comparison
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40000
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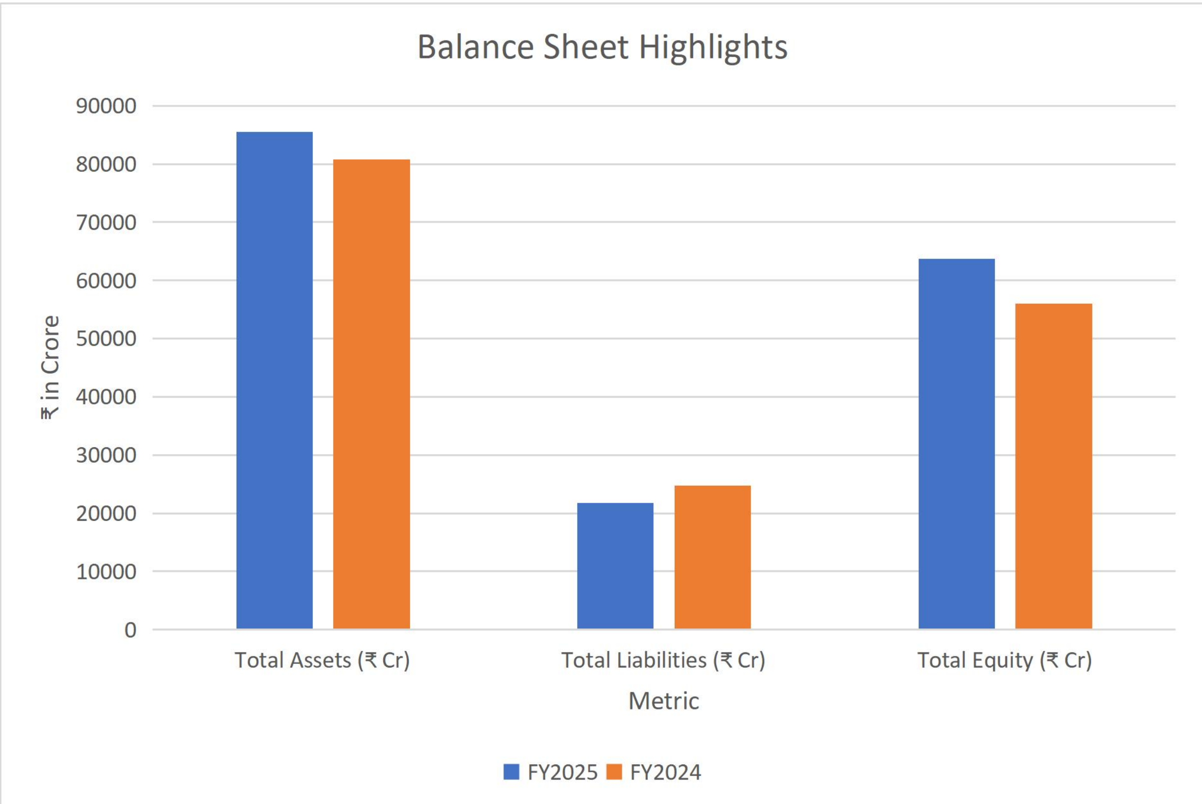
0
-20000
Value (₹ Cr or %)
FY2025
FY2024
Category
Revenue
Net Profit
EBITDA Margin
Net Profit Margin
Total Assets
Total Liabilities
Total Equity
Operating Cash Flow
Investing Cash Flow
Financing Cash Flow
Cash at Year End



Balance Sheet Highlights
90000
80000
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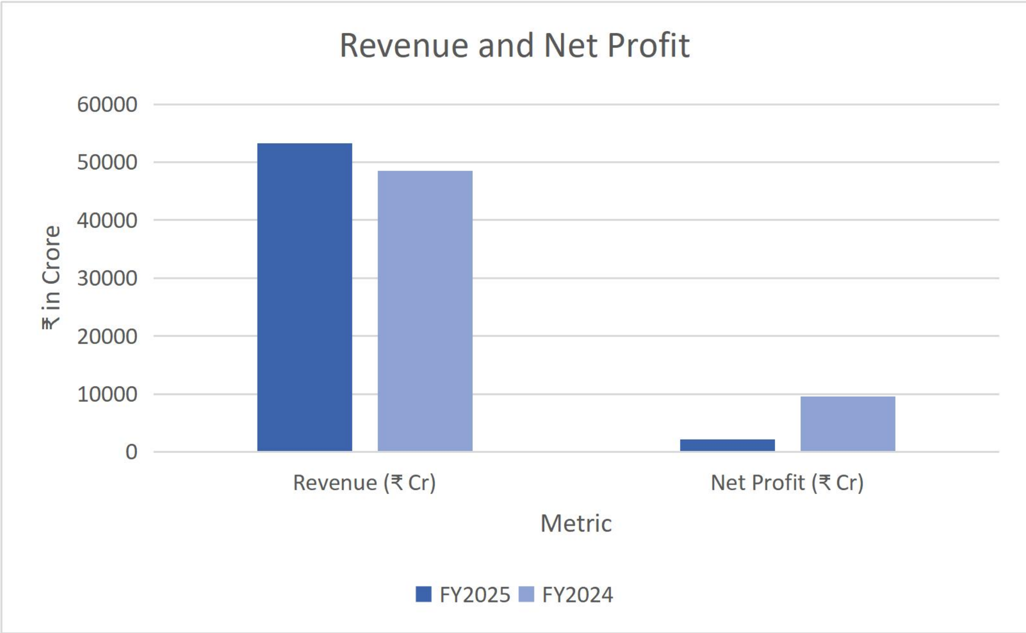
0
₹ in Crore
Total Assets (₹ Cr)
Total Liabilities (₹ Cr)
Total Equity (₹ Cr)
Metric
FY2025
FY2024



Year-over-Year Comparison

- **Revenue Growth:** FY2024-25 revenue increased by 9.8% compared to FY2023-24.
- **Net Profit:** FY2024-25 net profit declined by 19% due to exceptional charges, whereas FY2023-24 saw a 13% increase.
- **Dividend:** FY2024-25 dividend per share was ₹5.5, compared to ₹13.5 in FY2023-24.

Variance Analysis

- **FY 2024-25:** The decline in net profit was primarily due to one-time charges amounting to ₹7.4 billion related to U.S. operations restructuring and investment impairments.
- **FY 2023-24:** Growth in net profit was driven by strong performance in domestic and U.S. markets, with significant contributions from specialty drugs.

SWOT Analysis

Strengths:

- Strong presence in domestic and international markets.
- Diversified product portfolio, including specialty and generic drugs.

Weaknesses:

- Exposure to regulatory challenges in international markets.
- Dependence on key markets like the U.S. for significant revenue.

Opportunities:

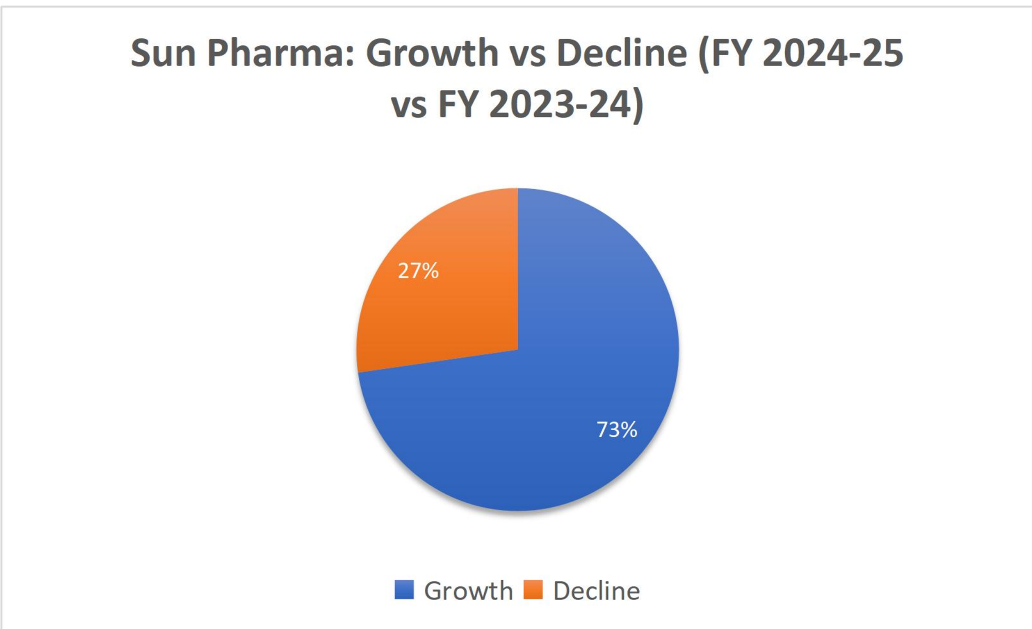
- Expansion into emerging markets.
- Investment in R&D for innovative drug development.

Threats:

- Intense competition in the pharmaceutical industry.
- Potential pricing pressures and regulatory changes.

Industry & Market Comparison

In FY2025, while Sun Pharma faced challenges leading to a net profit decline, competitors like Rd. Reddy's and Cipla reported stronger performances, driven by robust domestic demand. Sun Pharma's focus on specialty drugs and strategic investments positions it well for future growth, despite short-term setbacks



Conclusion & Recommendations

Sun Pharmaceutical Industries Limited demonstrated resilience in FY 2024-25 amidst challenges, maintaining revenue growth and continuing its commitment to shareholders through dividend pay-outs. Strategic restructuring and investments in specialty segments are expected to yield positive results in the long term. It is recommended that the company continues to diversify its market presence and invest in R&D to drive innovation and growth.