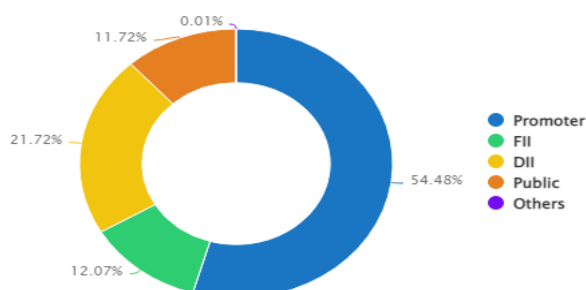


VALUE PARAMETERS

Face Value (Rs.)	1.00
52 Week High/Low	850.00/540.35
M.Cap (Rs. in Cr.)	191250.98
EPS (Rs.)	30.68
P/E Ratio (times)	25.98
P/B Ratio (times)	3.86
Dividend Yield (%)	0.94
Stock Exchange	NSE

SHAREHOLDING PATTERN

P/E CHART
FINANCIAL PERFORMANCE

(Rs.in Cr.)

	ACTUAL	FORECAST	
	FY Mar-21	FY Mar-22	FY Mar-23
REVENUE	33498.14	38197.60	41901.05
EBITDA	8467.72	10235.54	11383.29
EBITA	7221.17	8148.10	9168.20
NET INCOME	7209.96	7193.64	8048.70
EPS	30.04	30.20	33.28
BVPS	193.65	217.26	243.23
RoE	15.72%	14.71%	14.63%

Investment Rationale:

- Sun Pharmaceutical Industries is the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company. A vertically integrated business and a skilled team enable it to deliver high-quality products, trusted by customers and patients in over 100 countries across the world, at affordable prices. The Company's 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.
- The Company's global specialty business has grown by 43% over Q2 last year. Ilumya has grown both y-o-y and sequentially. India business continues to do well with a growth of 26% y-o-y. The management of the company remains steadfast in focus on growing overall business and simultaneously strengthening global specialty portfolio.
- It has a comprehensive product offering in the US market consisting of approved ANDAs for 508 products while filings for 88 ANDAs await US FDA approval, including 20 tentative approvals. During Q2FY22, 3 approvals were received.
- The company has repaid debt of about \$209 million in the first half of FY22 compared with the debt as of March 31, 2021. With this debt repayment, Sun Pharma had a net cash of about \$200 million as of September 30, 2021, on ex-Tarobasis.
- Sun Pharma fosters excellence through innovation supported by strong R&D capabilities across multiple R&D centers, with investments of approximately 6-7% of annual revenues in R&D.
- The company is ranked No. 1 and has increased its market share to 8.1% in the Indian pharmaceutical market as per AIOCD AWACS MAT September-2021 report. For Q2FY22, the company launched 28 new products in the Indian market.

Risk

- Adverse regulatory actions
- Slowdown in economy

Valuation

Most of the businesses have recorded growth in financial performance despite the challenges related to the global COVID-19 pandemic. Its India business outperformed the average industry growth. The management also enthused by the growth in global specialty business. It is believes that all business segments are well positioned and endeavour will be to grow the overall business. Company also expect the momentum for global specialty business to continue. Thus, it is expected that the stock will see a price target of Rs.945 in 8 to 10 months' time frame on a four year average P/E of 28.41x and FY23 (E) earnings of Rs.33.28.

QUERIES & FEEDBACK

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Disclosure:

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