

EDUCATIONAL EQUITY RESEARCH REPORT :

SUN PHARMACEUTICALS INDUSTRIES LTD.

(NSE: SUN PHARMA, BSE : 524715)

DATE : 20/4/24

WE AT AS RESEARCH TECHNIC, INITIATE OUR COVERAGE ON SUN PHARMACEUTICALS INDUSTRIES LTD. Sun Pharmaceutical Industries Ltd. (Sun Pharma) is the fourth largest specialty generic pharmaceutical company in the world with global revenues of US\$ 5.4 billion. Supported by 43 manufacturing facilities, we provide high-quality, affordable medicines, trusted by healthcare professionals and patients, to more than 100 countries across the globe.

ABOUT THE BUSINESS :

Sun Pharmaceutical Industries Limited (d/b/a Sun Pharma) is an Indian multinational pharmaceutical company headquartered in Mumbai, that manufactures and sells pharmaceutical formulations and active pharmaceutical ingredients (APIs) in more than 100 countries across the globe. It is the largest pharmaceutical company in India and the fourth largest specialty generic pharmaceutical company in the world.

PROS :

- Company is almost debt free.
- Company has delivered good profit growth of 26.4% CAGR over last 5 years.
- Company has been maintaining a healthy dividend payout of 56.0%.

CONS :

- The company has delivered a poor sales growth of 10.6% over past five years.
- Tax rate seems low.
- Company has a low return on equity of 14.0% over last 3 years.

RESEARCH ANALYST :

P.SUNANDINI @AS RESEARCH TECHNIC



FINANCIAL SNAP SHOT :

MARKET CAP	₹ 3,69,498
STOCK P/E	39.5
ROE	16.6 %
CURRENT PRICE	1522.8
BOOK VALUE	₹ 249
ROCE	16.4 %
HIGH	₹ 1,639
LOW	922
DIVIDEND YIELD	0.75 %
FACE VALUE	₹ 1.00

SHARE HOLDING PATTERN:

PROMOTERS	54.48%
FIIS	17.08%
DIIS	19.42%
PUBLIC	19.42%
GOVERNMENT	0.11%
OTHERS :	0
NO.OF SHAREHOLDERS	6,12,626

PEER COMPARISON :

SECTOR: PHARMACEUTICALS

INDUSTRY: PHARMACEUTICALS - INDIAN - BULK DRUGS & FORMLN

S.No.	Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	Sales Qtr Rs.Cr.	ROCE %
1	Sun Pharma.Inds.	1540	39.46	369497.59	0.75	12380.7	16.44
2	Cipla	1396.8	28.56	112773.03	0.61	6603.81	18.02
3	Dr Reddy's Labs	6083.85	19.41	101489.73	0.66	7236.8	26.73
4	Zydus Lifesci.	962.15	29.6	96814.8	0.62	4505.2	14.96
5	Mankind Pharma	2320.35	56.33	92950.54	0	2358.57	20.7
6	Lupin	1622.25	41.28	73924.36	0.25	5197.41	5.73
7	Aurobindo Pharma	1088.45	22.74	63776.49	0.41	7351.78	9.2

KEY POINTS :

- AS A GLOBAL PHARMACEUTICAL COMPANY, SUN PHARMA CONTINUES TO ENHANCE FOCUS ON INNOVATION TO INTRODUCE MEDICINES THAT ADDRESS VARIOUS UNMET NEEDS OF PATIENTS .
- THE FLAGSHIP SPECIALITY PRODUCT , IIMUMYA AND OTHER BRANDS SUCH AS CEQUA AND WINLEVI ARE PLAYING A VITAL ROLE IN STRENGTHENING THEIR POSITION IN THE SPECIALITY DOMAIN.
- IN THE FINANCIAL YEAR 2022-23 , THE COMPANY HAD A GOOD YEAR WITH STRONG PERFORMANCE ACROSS MULTIPLE PARAMETERS.
- THE COMPANY'S GLOBAL CONSOLIDATED REVENUES GREW BY 12.6% TO ₹ 433 BILLION ,WHILE EBIDTA GREW BY 12% TO ₹ 116 BILLION. AND ADJUSTED NET PROFIT WAS BY ABOUT 12.8% TON ₹ 86 BILLION.
- SINCE INCEPTION, SUN HAS BEEN DEPLOYING ITS RESOURCES TO BUILD NEW PHARMA BUSINESSES IN A SELECTIVE MANNER. DEPLOYMENT.
- GLOBAL PHARMACEUTICAL INDUSTRY REMAINS QUITE DYNAMIC, AND ALWAYS BUZZING WITH NEW AVENUES FOR CAPITAL
- REVENUES IN THE US GREW BY 19% TO 135 BILLION AND ACCOUNTED FOR APPROXIMATELY 31% OF CONSOLIDATED REVENUES FOR FY 23.
- THE COMPANY'S R&D INVESTMENTS STOOD AT APPROXIMATELY ₹ 24 BILLION AT 5.5% OF OVERALL SALES. DURING THE YEAR IT FILED APPROXIMATELY 200 FORMULATION DOSSIERS GLOBALLY.
- THE COMPANY'S FOCUS HAS ALWAYS BEEN ON SUSTAINABLE COST REDUCTION VIA TECHNOLOGY INTERVENTIONS AND PROCESS ENHANCEMENTS.
- AT YEAR-END, SUN PHARMA HAD A STRONG NET CASH POSITION OF APPROXIMATELY US\$1.5 BILLION WHICH ENABLES THEM TO EXCPLORE INORGANIC OPPORTUNITIES, INCLUDING BUT NOT LIMITED TO STRENGTHENING GLOBAL SPECIALITY PORTFOLIO.
- SUN PHARMA IS THE 10TH LARGEST GENERIC PHARMACEUTICAL COMPANY IN THE US.

- THE BUSINESS IS WELL POSITIONED AND EXPECTS HIGH - SINGLE - DIGIT CONSOLIDATED TOPLINE GROWTH FOR FY24.
- THE GLOBAL PHARMACEUTICAL INDUSTRY HAS RISEN TO THE CHALLENGE OF THE COVID-19 PANDEMIC BY DEPLOYING EFFECTIVE VACCINES AND THERAPEUTICS AND OVERCOMING UNPRECEDENTED SUPPLY CHAIN DISTRUPTIONS.
- THE INDIAN PHARMACEUTICAL INDUSTRY IS EXPERIENCING STEADY GROWTH WITH A FOCUS ON GENERIC MEDICINES.
- SUN PHARMA IS THE LARGEST PHARMACEUTICAL COMPANY IN INDIA AND LEADING GLOBAL SPECIALITY GENERIC COMPANY.
- DURING THE YEAR, SUN ACQUIRED CONCERT PHARMA Inc. THE LEAD ASSET OF CONCERT, DEURUXOLITINIB, HAS SUCCESSFULLY COMPLETED GLOBAL PHASE-3 TRAILS INCLUDING THE US, FOR THE INDICATION OF TREATMENT OF ALOPECIA AREATA.
- TILL DATE, SUN PHARMA HAS MARKETED APPROXIMATELY 26 SPECIALITY PRODUCTS ACROSS DIFFERENT MARKETS, WHICH CONTRIBUTED APPROXIMATELY 16.2% TO THE COMPANY'S CONSOLIDATED REVENUES FOR FY 23.
- SUN PHARMA'S US BUSINESS COMPRISES OF SALES OF SPECIALITY AND GENERIC MEDICINES.
- OVER THE YEARS, SUN PHARMA HAS SOLIDIFIED ITS POSITION AS A MAJOR PLAYER IN THE US GENERICS MARKET.

• THE SHARE PRICE CAN GO UPTO 1682.36 IF IT BREAKS 1638.68 ON THE UPPER SIDE.

• THE SHARE PRICE CAN GO UPTO 1472.2 IF IT BREAKS 1489 ON THE LOWER SIDE.

PIVOT TABLE :

		SUPPORT				RESISTANCE			
DATE	WEEK CLOSE	S3	S2	S1	PIVOT	R1	R2	R3	PRV CLOSE
18-04-2024	1522.8	1474.3	1490.2	1513.9	1529.7	1553.4	1569.3	1593	1537.55
16-04-2024	1522.8	1510.88	1518	1529	1536.1667	1547.2	1554.3	1565.3	1540.05
15-04-2024	1522.8	1474.2	1489	1514.5	1529.3	1554.8	1569.6	1595.1	1540
12-04-2024	1540	1499.37	1516.7	1560.4	1577.6833	1621.4	1638.7	1682.4	1604.05
10-04-2024	1540	1563.28	1573.5	1588	1598.2667	1612.8	1623	1637.5	1602.55
09-04-2024	1540	1574.58	1583.3	1591.5	1600.1667	1608.4	1617.1	1625.3	1599.7

DISCLAIMER: INVESTMENT/TRADING IN SECURITIES MARKET IS SUBJECT TO MARKET RISK, PAST PERFORMANCE IS NOT A GUARENTEE OF FUTURE PERFORMANCE.THE RISK OF LOSS IN TRADING AND INVESTMENT IN SECURITIES MARKETS INCLUDING EQUITIES AND DERIVATIVES CAN BE SUBSTANTIAL.