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| NSE: Sunpharma | BSE Code: 524715

Financial Modelling Report

(A Comprehensive DCF and Comparable Comps Valuation)



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Sun Pharmaceuticals Industries Ltd - One Page Profile



Sun Pharmaceutical Industries Ltd is engaged in the business of manufacturing, developing and marketing a wide range of branded and generic formulations and Active Pharma Ingredients. The company and its subsidiaries has various manufacturing facilities spread across the world with trading and other incidental and related activities extending to global market.

INR (Crores)

Key Financial Metrics	Mar-21	Mar-22	Mar-23	Mar-24
Total Sales	33,498.1	38,654.5	43,885.7	48,496.9
Sales Growth	2.01%	15.39%	13.53%	10.51%
Gross Profit	15,595.0	18,418.6	22,160.7	25,457.8
GP Margin	46.55%	47.65%	50.50%	52.49%
EBITDA Margin	25.28%	26.54%	26.55%	26.84%
EBIT Margin	19.08%	20.99%	20.78%	21.57%
Net Profit Margin	17.12%	17.88%	18.46%	18.11%
Earnings per Share	23.9	28.8	33.8	36.6
EPS Growth	50.71%	20.53%	17.23%	8.42%

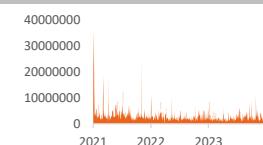
Share Price - 4 Year



Key Financial Ratios

Key Financial Ratios	Mar-21	Mar-22	Mar-23	Mar-24
Price to Earnings	48.51x	65.92x	27.97x	39.85x
EV/EBITDA	16.63x	21.03x	20.34x	29.31x
EV/Sales	4.20x	5.58x	5.40x	7.87x
Price to Book Value	3.09x	4.57x	4.21x	6.11x
Return on Equity	6.25%	6.82%	15.13%	15.04%
Return on Capital Employed	12.70%	16.46%	14.51%	15.63%

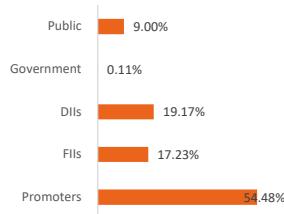
Volume - 4 Year



Top 10 Shareholders

	Shares	Holding(%)	Market Value
Shanghvi Finance Private Limited	96.71	40.3	1,65,753
Dilip S. Shanghvi	23.04	9.6	39,488
ICICI PRUDENTIAL VALUE DISCOVERY FUND	9.75	4.06	16,717
Life Insurance Corporation Of India	7.44	3.1	12,752
SBI NIFTY 50 ETF	5.04	2.1	8,632
Aditya Medisales Limited	4.02	1.67	6,882
Raksha S.Valia	2.88	1.2	4,942
NPS Trust- A/C HDFC Pension Management Company Ltd Scheme E - Tier I	2.85	1.19	4,878
Lakshdeep Investments & Finance (P) Ltd.	2.44	1.02	4,185
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	2.43	1.01	4,169

Shareholding Pattern



Managerial Remuneration

	Designation	X of Median Salary
Dr. Pawan Goenka	Lead Independent Director	12.55
Mr. Dilip Shanghvi	Managing Director	89.38
Mr. Gautam Doshi	Independent Director	7.8
Ms. Rama Bijapurkar	Independent Director	7.53

Capital Structure

Share Price	1568.65
No. of Share O/S	239.93
Market Capitalization	3,76,371.68
less: cash	10520.68
Add: Debt	3273.67
Enterprise Value	3,69,124.67

Future Vision

- Sun Pharmaceuticals Industries Ltd Target high-single digit consolidated topline growth for FY25 and Focus on improving overall return ratios.
- Maintain leadership in existing markets through focus on innovative solutions and Enhance presence in high growth markets
- Unwavering focus on sustainability, built on a legacy rooted in caring for people, communities and the planet.
- Committed to governance, community upliftment, access to affordable healthcare & environment conservation

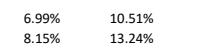
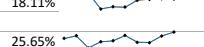
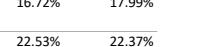
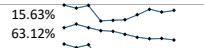
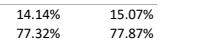
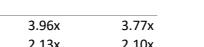
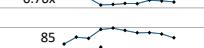


Historical Financial Statement - Sun Pharmaceuticals Industries Ltd

Earnings per Share	₹ 25.1	₹ 23.7	₹ 30.1	₹ 11.3	₹ 14.5	₹ 15.9	₹ 23.9	₹ 28.8	₹ 33.8	₹ 36.6
EPS Growth %		-5.77%	27.18%	-62.59%	28.29%	9.72%	50.71%	20.53%	17.23%	8.42%
Dividend per Share	₹ 3.0	₹ 1.0	₹ 3.5	₹ 2.0	₹ 2.8	₹ 4.0	₹ 7.5	₹ 10.0	₹ 11.5	₹ 13.5
Dividend payout Ratio	11.94%	4.22%	11.62%	17.75%	19.03%	25.23%	31.38%	34.72%	34.06%	36.88%
Retained Earnings	88.06%	95.78%	88.38%	82.25%	80.97%	74.77%	68.62%	65.28%	65.94%	63.12%

Balance Sheet										
Equity Share Capital	₹ 207.1	₹ 240.7	₹ 239.9	₹ 239.9	₹ 239.9	₹ 239.9	₹ 239.9	₹ 239.9	₹ 239.9	
Reserves	₹ 25,431.0	₹ 32,741.8	₹ 36,399.7	₹ 38,074.2	₹ 41,169.1	₹ 45,024.5	₹ 46,222.9	₹ 47,771.3	₹ 55,755.5	
Borrowings	₹ 8,996.1	₹ 8,496.8	₹ 9,831.8	₹ 10,385.3	₹ 10,514.4	₹ 8,314.9	₹ 3,868.6	₹ 1,290.3	₹ 6,885.9	
Other Liabilities	₹ 14,089.0	₹ 13,948.3	₹ 14,624.0	₹ 15,598.0	₹ 12,666.1	₹ 14,615.0	₹ 17,290.9	₹ 20,474.4	₹ 17,830.7	
Total Liabilities	₹ 48,723.2	₹ 55,427.5	₹ 61,095.5	₹ 64,297.4	₹ 64,589.5	₹ 68,194.3	₹ 67,622.2	₹ 69,775.9	₹ 80,711.9	₹ 85,307.8
Net Block	₹ 12,682.5	₹ 15,872.3	₹ 17,675.2	₹ 18,852.7	₹ 21,836.5	₹ 22,846.9	₹ 21,553.0	₹ 22,665.2	₹ 24,065.4	₹ 23,211.4
Capital Work in Progress	₹ 2,038.6	₹ 2,175.5	₹ 2,801.4	₹ 2,465.2	₹ 1,411.2	₹ 1,220.3	₹ 1,566.8	₹ 1,286.8	₹ 4,973.2	₹ 5,353.9
Investments	₹ 2,716.3	₹ 1,829.9	₹ 1,191.9	₹ 7,142.9	₹ 7,902.5	₹ 10,143.1	₹ 9,612.5	₹ 12,848.6	₹ 14,824.3	₹ 15,025.8
Other Assets	₹ 9,513.7	₹ 9,170.1	₹ 10,250.8	₹ 11,211.4	₹ 9,393.5	₹ 10,200.2	₹ 10,386.0	₹ 8,532.3	₹ 9,127.1	₹ 10,078.5
Total Non Current Asset	₹ 26,951.0	₹ 29,047.7	₹ 31,919.2	₹ 39,672.0	₹ 40,543.8	₹ 44,410.5	₹ 43,118.3	₹ 45,332.8	₹ 52,990.1	₹ 53,669.5
Receivables	₹ 5,106.1	₹ 6,775.7	₹ 7,202.6	₹ 7,815.3	₹ 8,884.2	₹ 9,421.2	₹ 9,061.4	₹ 10,484.6	₹ 11,438.5	₹ 11,249.4
Inventory	₹ 5,668.0	₹ 6,422.5	₹ 6,832.8	₹ 6,880.7	₹ 7,886.0	₹ 7,875.0	₹ 8,997.0	₹ 8,925.1	₹ 10,513.1	₹ 9,868.3
Cash & Bank	₹ 10,998.0	₹ 13,181.7	₹ 15,140.8	₹ 9,929.4	₹ 7,275.6	₹ 6,487.6	₹ 6,445.5	₹ 5,033.4	₹ 5,770.3	₹ 10,520.7
Total Current Asset	₹ 21,772.2	₹ 26,379.9	₹ 29,176.3	₹ 24,625.4	₹ 24,045.8	₹ 23,783.8	₹ 24,503.9	₹ 24,443.1	₹ 27,721.9	₹ 31,638.3
Total Asset	₹ 48,723.2	₹ 55,427.5	₹ 61,095.5	₹ 64,297.4	₹ 64,589.5	₹ 68,194.3	₹ 67,622.2	₹ 69,775.9	₹ 80,711.9	₹ 85,307.8

check	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
Cash Flow Statement										
Cash from Operating Activity	₹ 5,615.7	₹ 6,685.9	₹ 7,082.2	₹ 3,907.2	₹ 2,196.5	₹ 6,554.8	₹ 6,170.4	₹ 8,984.5	₹ 4,959.3	₹ 12,135.0
Cash from Investing Activity	(₹ 1,502.4)	(₹ 3,949.1)	(₹ 4,186.2)	(₹ 3,103.8)	(₹ 310.1)	(₹ 2,225.3)	₹ 406.5	(₹ 5,555.9)	(₹ 7,219.9)	(₹ 762.9)
Cash from Financing Activity	(₹ 1,186.5)	(₹ 1,888.5)	(₹ 2,285.4)	(₹ 1,539.3)	(₹ 2,730.5)	(₹ 5,715.1)	(₹ 5,980.5)	(₹ 5,193.5)	₹ 2,376.1	(₹ 6,710.2)
Net Cash Flow	₹ 2,926.9	₹ 848.2	₹ 610.7	(₹ 735.9)	(₹ 844.2)	(₹ 1,385.7)	₹ 596.4	(₹ 1,764.8)	₹ 115.5	₹ 4,661.9

Ratio Analysis - Sun Pharmaceuticals Industries Ltd													
Years	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Trendlines	Mean	Median
SalesGrowth	4.00%	10.85%	-16.12%	9.73%	12.98%	2.01%	15.39%	13.53%	10.51%		6.99%	10.51%	
EBITDA Growth	3.55%	23.59%	-44.25%	13.24%	9.50%	21.30%	21.11%	13.58%	11.74%		8.15%	13.24%	
EBIT Growth	6.53%	23.83%	-53.25%	11.91%	6.63%	29.61%	26.98%	12.41%	14.69%		8.82%	12.41%	
Net Profit Growth	9.49%	26.78%	-62.59%	28.29%	9.72%	50.71%	20.53%	17.23%	8.42%		12.06%	17.23%	
Dividend Growth	-66.67%	250.02%	-42.86%	37.50%	45.45%	87.50%	33.33%	15.00%	17.39%		41.85%	33.33%	
Gross Margin	51.70%	52.76%	50.82%	42.69%	43.80%	45.47%	46.55%	47.65%	50.50%		48.44%	49.07%	
EBITDA Margin	28.82%	28.69%	31.99%	21.26%	21.94%	21.26%	25.28%	26.54%	26.55%		25.92%	26.54%	
EBIT Margin	24.46%	25.05%	27.99%	15.60%	15.91%	15.01%	19.08%	20.99%	20.78%		20.64%	20.89%	
EBT Margin	22.34%	23.21%	26.72%	13.64%	14.00%	14.09%	18.65%	20.66%	20.39%		19.48%	20.53%	
Net Profit Margin	19.00%	20.01%	22.88%	10.20%	11.93%	11.59%	17.12%	17.88%	18.46%		16.72%	17.99%	
SalesExpenses%Sales	22.88%	24.07%	18.83%	21.43%	21.86%	24.21%	21.27%	21.11%	23.95%		22.53%	22.37%	
Depreciation%Sales	4.36%	3.64%	4.01%	5.66%	6.03%	6.25%	6.21%	5.55%	5.76%		5.27%	5.60%	
OperatingIncome%Sales	24.46%	25.05%	27.99%	15.60%	15.91%	15.01%	19.08%	20.99%	20.78%		20.64%	20.89%	
Return on Capital Employed	19.34%	17.20%	19.02%	8.48%	8.90%	9.20%	12.70%	16.46%	14.51%		14.14%	15.07%	
Retained Earnings%	88.06%	95.78%	88.38%	82.25%	80.97%	74.77%	68.62%	65.28%	65.94%		77.32%	77.87%	
Return on Equity%	20.30%	17.28%	19.72%	7.05%	8.37%	8.41%	12.34%	14.39%	14.47%		13.61%	14.10%	
Self Sustained Growth Rate	17.88%	16.55%	17.43%	5.80%	6.78%	6.28%	8.47%	9.40%	9.54%		10.68%	9.05%	
Interest Coverage Ratio	11.57x	13.64x	22.10x	7.98x	8.33x	16.29x	45.18x	63.71x	53.03x		28.57x	19.19x	
Debtor Turnover Ratio	5.36x	4.20x	4.38x	3.39x	3.27x	3.49x	3.70x	3.69x	3.84x		3.96x	3.77x	
Creditor Turnover Ratio	1.94x	2.04x	2.16x	1.70x	2.29x	2.25x	1.94x	1.89x	2.46x		2.13x	2.10x	
Inventory Turnover	4.83x	4.44x	4.62x	3.85x	3.69x	4.17x	3.72x	4.33x	4.17x		4.27x	4.25x	
Fixed Asset Turnover	2.16x	1.79x	1.79x	1.41x	1.33x	1.44x	1.55x	1.71x	1.82x		1.71x	1.75x	
Capital Turnover Ratio	1.07x	0.86x	0.86x	0.69x	0.70x	0.73x	0.72x	0.81x	0.78x		0.80x	0.77x	
Debtor Days	68	87	83	108	112	105	99	99	95		94	97	
Payable Days	188	179	169	215	159	162	188	193	148		174	174	
Inventory Days	76	82	79	95	99	88	98	84	87		86	86	
Cash Conversion Cycle (in days)	-44	-10	-7	-12	52	30	8	-10	34		6	1	



PHARMA

PHARMA

Sales Forecasting

Year Weight	Year	Sales	Sales Growth
1	2015A	27,392.0	
2	2016A	28,487.0	4.00%
3	2017A	31,578.4	10.85%
4	2018A	26,489.5	-16.12%
5	2019A	29,065.9	9.73%
6	2020A	32,837.5	12.98%
7	2021A	33,498.1	2.01%
8	2022A	38,654.5	15.39%
9	2023A	43,885.7	13.53%
10	2024A	48,496.9	10.51%
11	2025E	45,969.0	-5.21%
12	2026E	48,138.1	4.72%
13	2027E	50,307.3	4.51%
14	2028E	52,476.4	4.31%
15	2029E	54,645.6	4.13%

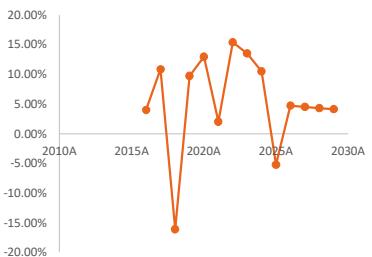
EBITDA Forecasting

Year Weight	Year	EBITDA	EBITDA Growth
1	2015A	7,893.8	
2	2016A	8,173.9	3.55%
3	2017A	10,102.0	23.59%
4	2018A	5,631.4	-44.25%
5	2019A	6,377.0	13.24%
6	2020A	6,982.8	9.50%
7	2021A	8,470.0	21.30%
8	2022A	10,257.6	21.11%
9	2023A	11,650.4	13.58%
10	2024A	13,017.8	11.74%
11	2025E	11,534.0	-11.40%
12	2026E	12,021.0	4.22%
13	2027E	12,508.0	4.05%
14	2028E	12,994.9	3.89%
15	2029E	13,481.9	3.75%

EPS Forecasting

Year Weight	Year	EPS	EPS Growth
1	2015A	25.1	
2	2016A	23.7	-5.77%
3	2017A	30.1	27.18%
4	2018A	11.3	-62.59%
5	2019A	14.5	28.29%
6	2020A	15.9	9.72%
7	2021A	23.9	50.71%
8	2022A	28.8	20.53%
9	2023A	33.8	17.23%
10	2024A	36.6	8.42%
11	2025E	31.2	-14.65%
12	2026E	32.5	4.01%
13	2027E	33.7	3.85%
14	2028E	35.0	3.71%
15	2029E	36.3	3.58%

Sales Growth



EBITDA Growth



EPS Growth





Common Size Income Statement - Sun Pharmaceuticals Industries Ltd

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	100.00%									
Raw Material Cost	24.18%	23.60%	26.61%	27.16%	28.56%	27.19%	27.85%	27.06%	25.86%	21.38%
Change in Inventory	-0.42%	1.38%	0.86%	-0.87%	1.49%	-0.92%	1.91%	0.28%	1.57%	-0.60%
Power and Fuel	2.05%	1.91%	1.66%	2.11%	2.11%	1.89%	1.87%	1.82%	1.89%	1.57%
Other Mfr. Exp	5.21%	6.35%	6.25%	6.90%	6.48%	5.15%	5.15%	4.87%	4.41%	4.51%
Employee Cost	16.44%	16.75%	15.52%	20.26%	20.53%	19.38%	20.49%	18.89%	18.90%	19.44%
Selling and admin	18.73%	18.32%	16.54%	17.84%	18.41%	21.30%	18.76%	19.06%	21.61%	22.75%
Other Expenses	4.15%	5.75%	2.28%	3.59%	3.46%	2.91%	2.51%	2.05%	2.34%	2.90%
Other Income	1.03%	-0.15%	1.93%	-0.51%	-0.89%	1.16%	-10.30%	-9.07%	1.05%	1.78%
Depreciation	4.36%	3.64%	4.01%	5.66%	6.03%	6.25%	6.21%	5.55%	5.76%	5.27%
Interest	2.11%	1.84%	1.27%	1.95%	1.91%	0.92%	0.42%	0.33%	0.39%	0.49%
Profit before tax	23.38%	23.07%	28.65%	13.13%	13.11%	15.26%	8.36%	11.59%	21.44%	22.86%
Tax	3.34%	3.21%	3.84%	3.44%	2.07%	2.51%	1.54%	2.78%	1.93%	2.97%
Net profit	16.57%	15.96%	22.05%	7.91%	9.17%	11.47%	8.67%	8.47%	19.31%	19.75%
Dividend Amount	2.27%	0.84%	2.66%	1.81%	2.27%	2.92%	5.37%	6.21%	6.29%	6.68%

Common Size Balance Sheet - Sun Pharmaceuticals Industries Ltd

Particulars	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Liabilities	100.00%									
Equity Share Capital	0.43%	0.43%	0.39%	0.37%	0.37%	0.35%	0.35%	0.34%	0.30%	0.28%
Reserves	52.19%	59.07%	59.58%	59.22%	63.74%	66.02%	68.35%	68.46%	69.08%	74.35%
Borrowings	18.46%	15.33%	16.09%	16.15%	16.28%	12.19%	5.72%	1.85%	8.53%	3.84%
Other Liabilities	28.92%	25.16%	23.94%	24.26%	19.61%	21.43%	25.57%	29.34%	22.09%	21.53%
Total Assets	100.00%									
Net Block	26.03%	28.64%	28.93%	29.32%	33.81%	33.50%	31.87%	32.48%	29.82%	27.21%
Capital Work in Progress	4.18%	3.92%	4.59%	3.83%	2.18%	1.79%	2.32%	1.84%	6.16%	6.28%
Investments	5.57%	3.30%	1.95%	11.11%	12.24%	14.87%	14.21%	18.41%	18.37%	17.61%
Other Assets	64.21%	64.14%	64.53%	55.74%	51.77%	49.83%	51.60%	47.26%	45.65%	48.90%
Receivables	10.48%	12.22%	11.79%	12.15%	13.75%	13.82%	13.40%	15.03%	14.17%	13.19%
Inventory	11.63%	11.59%	11.18%	10.70%	12.21%	11.55%	13.30%	12.79%	13.03%	11.57%
Cash & Bank	22.57%	23.78%	24.78%	15.44%	11.26%	9.51%	9.53%	7.21%	7.15%	12.33%

Two years Weekly

BETA REGRESSION

Sun Pharmaceuticals Industries Ltd Weekly Returns

Date Closing Price Weekly Returns

Date	Closing Price	Weekly Returns
18-07-2022	854.5	
25-07-2022	921.6	7.86%
01-08-2022	895.0	-2.89%
08-08-2022	892.6	-0.27%
15-08-2022	880.7	-1.32%
22-08-2022	862.8	-2.03%
29-08-2022	852.5	-1.20%
05-09-2022	872.5	2.35%
12-09-2022	851.0	-2.47%
19-09-2022	903.0	6.11%
26-09-2022	930.0	2.99%
03-10-2022	936.4	0.69%
10-10-2022	957.1	2.21%
17-10-2022	958.5	0.14%
24-10-2022	970.5	1.26%
31-10-2022	1,019.5	5.04%
07-11-2022	993.6	-2.53%
14-11-2022	989.7	-0.39%
21-11-2022	1,013.5	2.40%
28-11-2022	1,019.5	0.59%
05-12-2022	973.3	-4.53%
12-12-2022	974.1	0.08%
19-12-2022	981.9	0.80%
26-12-2022	981.7	-0.01%
02-01-2023	988.9	0.73%
09-01-2023	1,011.3	2.27%
16-01-2023	1,010.1	-0.12%
23-01-2023	1,022.9	1.27%
30-01-2023	1,007.9	-1.46%
06-02-2023	986.8	-2.10%
13-02-2023	972.4	-1.46%
20-02-2023	958.6	-1.42%
27-02-2023	955.0	-0.37%
06-03-2023	943.8	-1.17%
13-03-2023	945.9	0.23%
20-03-2023	960.9	1.58%
27-03-2023	971.0	1.05%
03-04-2023	999.6	2.95%
10-04-2023	991.2	-0.85%
17-04-2023	977.3	-1.40%
24-04-2023	975.5	-0.18%
01-05-2023	958.5	-1.74%
08-05-2023	944.2	-1.49%
15-05-2023	914.5	-3.15%
22-05-2023	958.0	4.76%

Nifty Weekly Returns

Date Closing Price Weekly Returns

Date	Closing Price	Weekly Returns
18-07-2022	16,719.4	
25-07-2022	17,158.3	2.62%
01-08-2022	17,397.5	1.39%
08-08-2022	17,698.2	1.73%
15-08-2022	17,758.4	0.34%
22-08-2022	17,558.9	-1.12%
29-08-2022	17,539.4	-0.11%
05-09-2022	17,833.3	1.68%
12-09-2022	17,530.8	-1.70%
19-09-2022	17,327.3	-1.16%
26-09-2022	17,094.3	-1.34%
03-10-2022	17,314.7	1.29%
10-10-2022	17,185.7	-0.74%
17-10-2022	17,576.3	2.27%
24-10-2022	17,786.8	1.20%
31-10-2022	18,117.2	1.86%
07-11-2022	18,349.7	1.28%
14-11-2022	18,307.7	-0.23%
21-11-2022	18,512.8	1.12%
28-11-2022	18,696.1	0.99%
05-12-2022	18,496.6	-1.07%
12-12-2022	18,269.0	-1.23%
19-12-2022	17,806.8	-2.53%
26-12-2022	18,105.3	1.68%
02-01-2023	17,859.4	-1.36%
09-01-2023	17,956.6	0.54%
16-01-2023	18,027.7	0.40%
23-01-2023	17,604.3	-2.35%
30-01-2023	17,854.1	1.42%
06-02-2023	17,856.5	0.01%
13-02-2023	17,944.2	0.49%
20-02-2023	17,465.8	-2.67%
27-02-2023	17,594.3	0.74%
06-03-2023	17,412.9	-1.03%
13-03-2023	17,100.1	-1.80%
20-03-2023	16,945.1	-0.91%
27-03-2023	17,359.8	2.45%
03-04-2023	17,599.2	1.38%
10-04-2023	17,828.0	1.30%
17-04-2023	17,624.1	-1.14%
24-04-2023	18,065.0	2.50%
01-05-2023	18,069.0	0.02%
08-05-2023	18,314.8	1.36%
15-05-2023	18,203.4	-0.61%
22-05-2023	18,499.3	1.63%

Beta Drifting

Levered Raw Beta	0.56
Raw Beta Weight	75%
Market Beta	1
Market Beta Weight	25%
Adjusted Beta	0.67

Beta Calculation

Regression Statistics	
Multiple R	0.32036
R Square	0.102631
Adjusted R Square	0.093833
Standard Error	0.023401
Observations	104

ANOVA

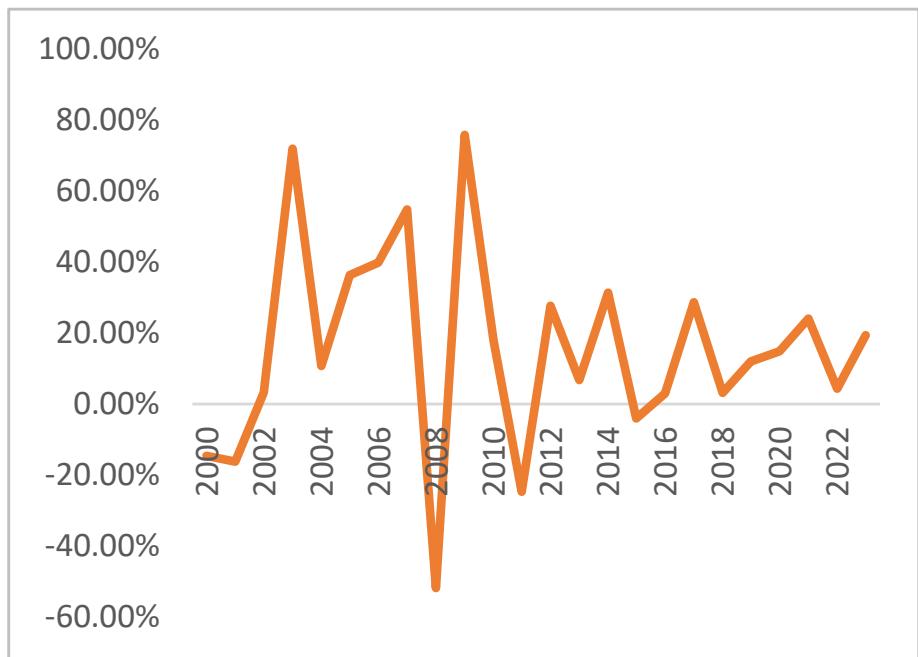
	df	SS	MS	F	Significance F
Regression	1	0.006388	0.006388	11.66555386	0.00091515
Residual	102	0.055858	0.000548		
Total	103	0.062246			

	Coefficients	standard Err.	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	0.004039	0.002377	1.699431	0.092285873	-0.00067514	0.008753	-0.0006751	0.00875327
X Variable 1	0.557571	0.163248	3.415487	0.000915153	0.23376968	0.881372	0.23376968	0.88137249



Returns On Market

Years	Annual	Avearge Return	15.61%
2000	-14.65%		
2001	-16.18%		
2002	3.25%		
2003	71.90%	Total Market Returns	16.86%
2004	10.68%		
2005	36.34%		
2006	39.83%		
2007	54.77%		
2008	-51.79%		
2009	75.76%		
2010	17.95%		
2011	-24.62%		
2012	27.70%		
2013	6.76%		
2014	31.39%		
2015	-4.06%		
2016	3.01%		
2017	28.65%		
2018	3.15%		
2019	12.02%		
2020	14.90%		
2021	24.12%		
2022	4.32%		
2023	19.42%		





Weighted Average Cost of Capital

All figures are in INR unless stated otherwise.

Peer Competitor Companies								
Name	Country	Total Debt	Total Equity	Tax Rate ¹	Debt/ Equity	Debt/ Capital	Levered Beta ²	Unlevered Beta ³
Sun Pharma.Inds.	India	3,273.7	3,80,907.0	30%	0.86%	0.85%	0.67	0.67
Cipla	India	559.4	1,20,348.5	30%	0.46%	0.46%	0.17	0.17
Zydus Lifesci.	India	804.2	1,16,159.5	30%	0.69%	0.69%	0.58	0.57
Dr Reddy's Labs	India	2,002.0	1,12,906.8	30%	1.77%	1.74%	0.37	0.37
Mankind Pharma	India	8.6	84,465.9	30%	0.01%	0.01%	0.63	0.63
		Average		30.00%	0.76%	0.75%	0.48	0.48
		Median		30.00%	0.69%	0.69%	0.58	0.57

Cost of Debt

Pre-tax Cost of Debt	7.27%
Tax Rate	30.00%
After Tax Cost of Debt	5.09%

Cost of Equity

Risk Free Rate	6.96%
Equity Risk Premium	9.90%
Levered Beta ⁴	0.003
Cost of Equity	6.99%

Capital Structure

		Current	Target
Total Debt	3,273.7	0.85%	0.75%
Market Capitalization	3,80,907.0	99.15%	99.25%
Total Capitalization	3,84,180.7	100.00%	100.00%
Debt / Equity		0.86%	0.76%

Levered Beta

Comps Median Unlevered Beta	0.57
Target Debt/ Equity	0.76%
Tax Rate	30.00%
Levered Beta	0.003

Weighted Average Cost of Capital

Cost of Equity	6.99%
Equity Weight	99.25%
Cost of Debt	5.09%
Debt Weight	0.75%
WACC	6.98%

1. Tax Rate considered as Marginal Tax Rate for the country

2. Levered Beta is based on 5 year monthly data

3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate) x Debt/Equity)

4. Levered Beta = Unlevered Beta/(1+(1-Tax Rate) x Debt/Equity)



Calculation of ROIC					
Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Current Assets					
Inventories	7,875.0	8,997.0	8,925.0	10,513.0	9,868.0
Trade receivables	9,421.0	9,061.0	10,485.0	11,439.0	11,249.0
Loans n Advances	149.0	58.0	172.0	188.0	213.0
Other asset items	10,051.0	10,328.0	8,361.0	8,939.0	9,865.0
Total Current Assets	27,496.0	28,444.0	27,943.0	31,079.0	31,195.0
Current Liabilities					
Trade Payables	3,584.0	3,974.0	4,490.0	5,682.0	5,653.0
Advance from Customers	53.0	47.0	29.0	41.0	43.0
Other liability items	7,118.0	10,253.0	12,901.0	8,788.0	9,232.0
Total Current Liabilities	10,755.0	14,274.0	17,420.0	14,511.0	14,928.0
Net Working Capital	16,741.0	14,170.0	10,523.0	16,568.0	16,267.0
Non Current Assets					
Land	686.0	642.0	862.0	898.0	1,047.0
Building	5,844.0	5,937.0	6,048.0	6,820.0	6,803.0
Plant Machinery	10,976.0	11,629.0	12,363.0	13,077.0	13,706.0
Equipments	233.0	273.0	305.0	327.0	345.0
Furniture n fittings	427.0	421.0	423.0	444.0	454.0
Vehicles	319.0	371.0	408.0	447.0	414.0
Intangible Assets	16,322.0	15,934.0	6,591.0	8,358.0	8,599.0
Other fixed assets	310.0	371.0	11,707.0	12,729.0	12,916.0
Gross Block	35,117.0	35,578.0	38,707.0	43,100.0	44,284.0
Accumulated Depreciation	12,269.0	14,026.0	16,042.0	19,035.0	21,072.0
Net Non Current Assets	22,848.0	21,552.0	22,665.0	24,065.0	23,212.0
Invested Capital	39,589.0	35,722.0	33,188.0	40,633.0	39,479.0
EBIT	4,930.1	6,390.0	8,113.8	9,121.0	10,461.1
ROIC	12.45%	17.89%	24.45%	22.45%	26.50%

Calculation of Reinvestment Rate					
Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Capex	1,450.0	1,073.0	1,434.0	2,065.0	2,171.0
Change in Working Capital		-2,571.0	-3,647.0	6,045.0	-301.0
EBIT	4,930.1	6,390.0	8,113.8	9,121.0	10,461.1
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	3,697.5	4,792.5	6,085.4	6,840.8	7,845.8
Reinvestment		-1,498.0	-2,213.0	8,110.0	1,870.0
Reinvestment Rate	-31.26%	-36.37%	118.55%	23.83%	
				4 Year Avearge	18.69%
				4 Year Median	-3.71%
Calculation of Intrinsic Growth					
Particulars	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Reinvestment Rate		-31.26%	-36.37%	118.55%	23.83%
ROIC	12.45%	17.89%	24.45%	22.45%	26.50%
Intrinsic Growth	-5.59%	-8.89%	26.61%	6.32%	
				4 Year Avearge	4.61%
				4 Year Median	0.36%



DCF VALUATION

Particulars	Calculation of PV of FCFF					
	Mar-24A	Mar-25F	Mar-26F	Mar-27F	Mar-28F	Mar-29F
EBIT	10,461.13	11,035.45	11,641.29	12,280.40	12,954.59	13,665.80
Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	7,845.85	8,276.58	8,730.97	9,210.30	9,715.94	10,249.35
Less: Reinvestment Rate	18.69%	38.43%	58.17%	77.91%	97.65%	97.65%
Free Cash Flow to Firm (FCFF)	6,379.46	5,095.89	3,652.16	2,034.56	228.32	240.86
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.967	0.904	0.845	0.790	0.738
PV of FCFF		4,926.8	3,300.6	1,718.8	180.3	177.8

Expected Growth	5.49%
Terminal Growth	6.33%
WACC	6.98%

Calculation of Terminal Value	
FCFF (n+1)	254.08
WACC	6.98%
Terminal Growth Rate	6.33%
Terminal Value	39,089.68

Sensitivity Analysis - Terminal Value				
39,089.68	6.00%	6.98%	7.35%	8.23%
5.00%	25,408.29	12,832.47	10,812.04	7,866.34
6.33% (76,994.83)	39,089.68	24,910.09	13,372.79	
8.00% (12,704.15)	(24,910.09)	(39,089.68)	1,10,470.84	
9.00% (8,469.43)	(12,578.36)	(15,398.97)	(32,997.78)	
11.00% (5,081.66)	(6,320.47)	(6,961.18)	(9,172.67)	

Calculation of Equity Value per Share	
PV of FCFF	10,304.31
PV of Terminal Value	39,089.68
Value of Operating Assets	49,393.99
Add: Cash	10,520.60
Less: Debt	2,845.00
Value of Equity	57,069.59
No of Shares	239.93
Equity Value per Share	237.86

Sensitivity Analysis - Equity Value per Share				
237.86	6.00%	6.98%	7.35%	8.23%
5.00%	181.35	128.42	119.81	107.09
6.33% (245.46)	237.86	178.57	130.05	
8.00%	22.50	(28.88)	(88.17)	534.74
9.00%	40.15	22.51	10.57	(63.22)
11.00%	54.27	48.60	45.74	36.08

Share price	1622.00
Discount/Premium	6.82x



RELATIVE VALUATION

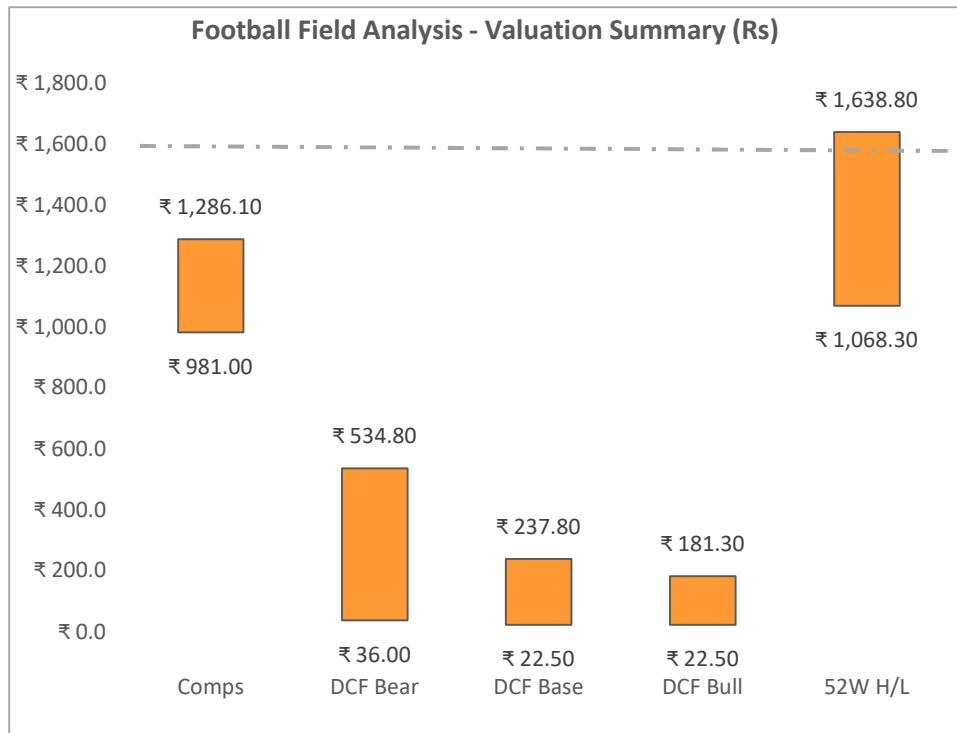
Company	Market Data					Financials			Valuation		
	Shares	Share Price	Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA
Sun Pharma.Inds.	1,622	239.93	3,89,154	-7,247	3,81,907	48,497	14,387	9,610	7.87x	26.54x	40.49x
Cipla	1,505	80.75	1,21,553	-316	1,21,237	25,774	7,038	4,154	4.70x	17.23x	29.26x
Zydus Lifesci.	1,180	100.62	1,18,737	-301	1,18,436	19,547	5,655	3,973	6.06x	20.94x	29.89x
Dr Reddy's Labs	6,847	16.68	1,14,208	274	1,14,482	28,011	8,752	5,578	4.09x	13.08x	20.48x
Mankind Pharma	2,108	40.06	84,452	-752	83,700	9,265	2,458	1,823	9.03x	34.05x	46.32x
Lupin	1,817	45.6	82,851	1,719	84,570	20,011	3,900	1,936	4.23x	21.69x	42.80x
Aurobindo Pharma	1,351	58.59	79,155	369	79,524	29,002	6,383	3,169	2.74x	12.46x	24.98x
High									9.03x	34.05x	46.32x
75th Percentile									6.97x	24.12x	41.65x
Average									5.53x	20.86x	33.46x
Median									4.70x	20.94x	29.89x
25th Percentile									4.16x	15.15x	27.12x
Low									2.74x	12.46x	20.48x

Sun Pharmaceuticals Industries Ltd Comparable Valuation

Implied Enterprise Value	2,28,122	3,01,321	2,79,972
Net Debt	-7247	-7247	-7247
Implied Market Value	2,35,369	3,08,568	2,87,219
Shares Outstanding	239.93	239.93	239.93
Implied Value per Share	981.0	1,286.1	1,197.1

Overvalued Overvalued Overvalued

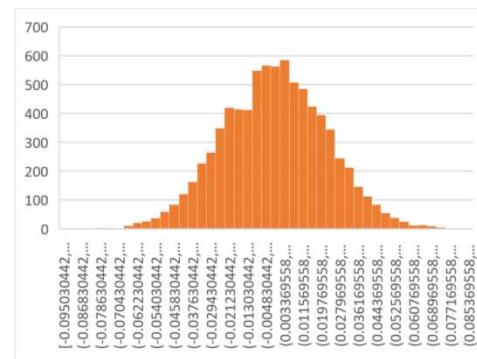
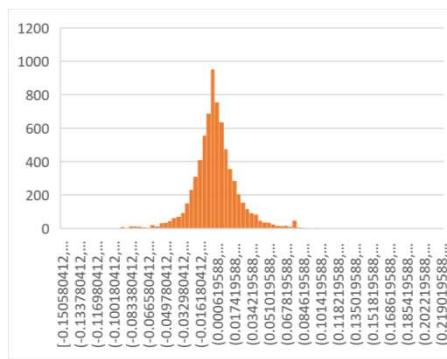
Football Field Analysis



Football Field Analysis - Data				
	Open	Low	Open	High
Comps	981.0	981.0	1286.1	1286.1
DCF Bear	36.0	36.0	534.8	534.8
DCF Base	22.5	22.5	237.8	237.8
DCF Bull	22.5	22.5	181.3	181.3
52W H/L	1068.3	1068.3	1638.8	1638.8

VAR

Date	Adj Close	Return Sorted Returns	Replication	Simulated Returns	Calculation of Value at Risk			
18-05-2009	142.24	65.85438	0.220814546	1	-0.001820468			
01-03-1999	2.13	0.18422	0.166550701	2	0.016521415			
09-04-1998	1.80	-0.795633	0.145970233	3	0.010798777			
05-05-2000	8.79	0.12004	0.120039537	4	0.015766932			
04-05-2000	7.85	-0.2917	0.119999937	5	0.013782113			
08-06-2000	11.08	-0.060566	0.117381661	6	0.03247949			
20-06-2000	11.80	-0.970458	0.114493344	7	-0.008655297			
07-04-2020	399.29	44.16496	0.110121062	8	0.024225882			
19-05-2000	8.84	0.261528	0.10930597	9	0.024961957			
03-05-2000	7.01	2.060316	0.108033091	10	0.026843564			
22-03-1999	2.29	-0.978043	0.107065782	11	-0.039500715			
05-11-2008	104.29	7.560977	0.104600107	12	0.011645061			
04-07-2000	12.18	0.031227	0.103801323	13	0.040829559			
04-05-2001	11.81	-0.984214	0.103464217	14	-0.019043357			
30-07-2021	748.35	338.5453	0.100924625	15	0.025821984			
20-05-1998	2.20	0.100124	0.100112364	16	0.032188609			
19-05-1998	2.00	0.174159	0.100085441	17	-0.019647312			
25-06-1998	1.71	0.09878	0.098780053	18	0.037452858			
24-06-1998	1.55	-0.995683	0.098396742	19	0.025046253			
03-04-2020	359.68	33.0809	0.09430939	20	0.018458737			
09-07-2001	10.55	0.076442	0.089749084	21	0.043923955			
15-03-2001	9.80	0.3053	0.089679889	22	-0.006140432			
16-05-2000	7.51	-0.939331	0.0893556076	23	0.021165404			
14-10-2008	123.81	9.317862	0.088949045	24	0.047062893			
22-05-2001	12.00	4.957986	0.088661365	25	-0.011268823			
04-05-1998	2.01	-0.826847	0.088255256	26	0.013863005			
06-09-2001	11.63	0.112648	0.087715999	27	-0.019918954			
03-04-2001	10.45	-0.898079	0.087484884	28	-0.031018666			
30-01-2008	102.56	8.351743	0.087067053	29	-0.025205692			
05-10-2001	10.97	-0.970163	0.083220171	30	0.004318547			
13-03-2020	367.57	47.64651	0.082863849	31	0.052840809			
09-11-1999	7.56	-0.511528	0.082219215	32	0.01039918			
28-07-2003	15.47	-0.98578	0.081944286	33	-0.028097998			
06-04-2015	1,087.82	1.188638	0.081533671	34	0.006262528			
08-06-2018	497.03	26.59986	0.080818428	35	0.0014786			
05-08-2003	18.01	4.434196	0.080285789	36	0.033527684			
04-08-1999	3.31	0.339889	0.080062967	37	-0.058958734			
23-03-1999	2.47	-0.142731	0.080061521	38	-0.004727123			
25-03-1999	2.89	-0.160405	0.080052785	39	0.019942372			
19-07-1999	3.44	0.219937	0.080044594	40	-0.039238347			
30-04-1999	2.82	-0.155554	0.080043834	41	0.013059509			
31-03-1999	3.34	-0.32054	0.080041355	42	0.007750124			
07-09-1999	4.91	0.837815	0.08003997	43	0.001224229			
24-03-1999	2.67	-0.53352	0.08003558	44	-0.030688123			
09-09-1999	5.73	-0.592175	0.080034063	45	0.001591079			



Sun Pharmaceuticals Industries Ltd

(SUNPHARMA | BSE Code: 524715)

INR 1568.75

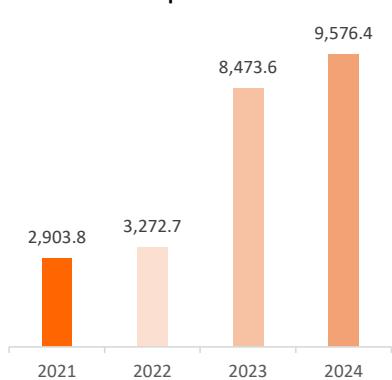
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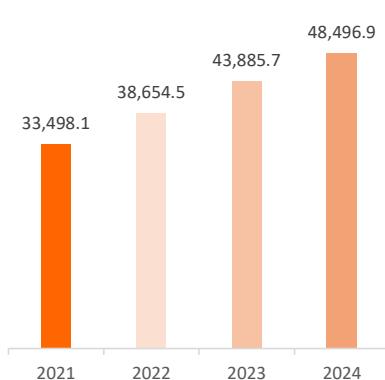
About the Company

Sun Pharmaceutical Industries Limited 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. The products cater to a vast range of therapeutic segments covering psychiatry, anti-infectives, neurology, cardiology, diabetology, gastroenterology, ophthalmology, nephrology, urology, dermatology, gynecology, respiratory, oncology, dental and nutraceuticals.

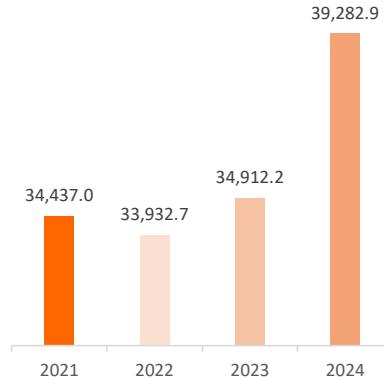
Net profit



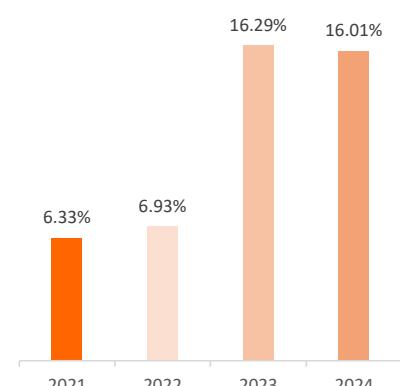
Revenue



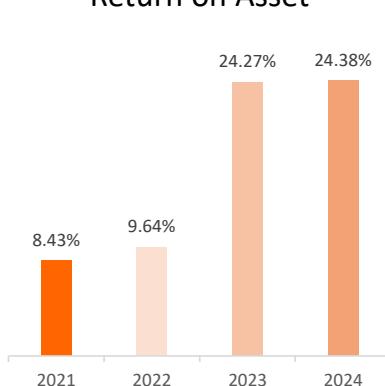
Average Total Asset



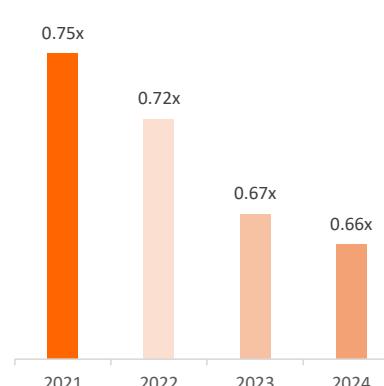
Return on Equity



Return on Asset



Financial Leverage



Recent Updates

- Profit jumps 34% YoY to Rs 2,654 crore, meets Street estimates.
- Revenue from operations increased 10% year-on-year to Rs 11,983 crore in the fourth quarter.
- The pharma major may report an ebitda of 3,302 crore, up 10 per cent YoY and 4 per cent QoQ with a Ebitda margin expanding to 27.3 per cent for the quarter.
- Ebitda margins are seen expanding for the quarter, aiding Ebitda by 10 per cent YoY ranging in Rs 3,200-3,300 crore. PAT is largely to be around 2,800 crore, rising in double digits YoY.
- Ebitda and Net Earnings should expand 13 per cent and 17 per cent YoY

Dupont Analysis - Return on Equity & Return on Asset

Return on Equity (ROE)							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	2,095.7	2,665.4	3,764.9	2,903.8	3,272.7	8,473.6	9,576.4
Average Shareholder Equity	37,476.9	39,861.6	43,336.8	45,863.6	47,237.0	52,003.3	59,831.1
Return on Equity	5.59%	6.69%	8.69%	6.33%	6.93%	16.29%	16.01%
ROE - Dupont Equation							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	2,095.7	2,665.4	3,764.9	2,903.8	3,272.7	8,473.6	9,576.4
Revenue	26,489.5	29,065.9	32,837.5	33,498.1	38,654.5	43,885.7	48,496.9
Net Profit Margin	7.91%	9.17%	11.47%	8.67%	8.47%	19.31%	19.75%
Revenue	26,489.5	29,065.9	32,837.5	33,498.1	38,654.5	43,885.7	48,496.9
Average Total Asset	37,631.9	34,638.0	33,711.6	34,437.0	33,932.7	34,912.2	39,282.9
Asset Turnover Ratio	0.70x	0.84x	0.97x	0.97x	1.14x	1.26x	1.23x
Average Total Asset	37,631.9	34,638.0	33,711.6	34,437.0	33,932.7	34,912.2	39,282.9
Average Shareholder Equity	37,476.9	39,861.6	43,336.8	45,863.6	47,237.0	52,003.3	59,831.1
Equity Multiplier	1.00x	0.87x	0.78x	0.75x	0.72x	0.67x	0.66x
Return on Equity	5.59%	6.69%	8.69%	6.33%	6.93%	16.29%	16.01%
Return on Asset (ROA)							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	2,095.7	2,665.4	3,764.9	2,903.8	3,272.7	8,473.6	9,576.4
Average Total Asset	37,631.9	34,638.0	33,711.6	34,437.0	33,932.7	34,912.2	39,282.9
Return on Asset	5.57%	7.70%	11.17%	8.43%	9.64%	24.27%	24.38%
ROA - Dupont Analysis							
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Profit	2,095.7	2,665.4	3,764.9	2,903.8	3,272.7	8,473.6	9,576.4
Revenue	26,489.5	29,065.9	32,837.5	33,498.1	38,654.5	43,885.7	48,496.9
Net Profit Margin	7.91%	9.17%	11.47%	8.67%	8.47%	19.31%	19.75%
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Asset Turnover Ratio	0.70x	0.84x	0.97x	0.97x	1.14x	1.26x	1.23x
Return on Asset	5.57%	7.70%	11.17%	8.43%	9.64%	24.27%	24.38%

Dupont Summary

- ROA of Avenue Supermart has been increased from 5.57% in FY2018 to 24.38% in FY2024. While the asset efficiency remains constant, the reason for increase in ROA is increased net margin of the company.
- ROE has increased in past seven years from 5.59% to 16.01%. financial leverage is constantly decreasing throughout the period.

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Altman's Z Score Analysis Calculation

	Working Capital / Total Assets						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Working Capital	20,238.7	20,773.2	19,369.0	17,599.1	12,501.0	19,018.3	23,349.4
Total Assets	64,297.4	64,589.5	68,194.3	67,622.2	69,775.9	80,711.9	85,307.8
Working Capital / Total Assets	31.48%	32.16%	28.40%	26.03%	17.92%	23.56%	27.37%

	Retained Earnings / Total Assets						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Retained Earnings	2223.11	2807.79	2844.81	3934.41	4511.68	5342.22	5544.15
Total Assets	64,297.4	64,589.5	68,194.3	67,622.2	69,775.9	80,711.9	85,307.8
Retained Earnings / Total Assets	3.46%	4.35%	4.17%	5.82%	6.47%	6.62%	6.50%

	EBIT / Total Assets						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
EBIT	4,131.6	4,623.7	4,930.1	6,390.0	8,113.8	9,121.0	10,461.1
Total Assets	64,297.4	64,589.5	68,194.3	67,622.2	69,775.9	80,711.9	85,307.8
EBIT/Total Assets	6.43%	7.16%	7.23%	9.45%	11.63%	11.30%	12.26%

	Market Cap / Long term Liabilities						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Market Cap	1,18,789.3	1,14,890.5	84,527.3	1,43,430.2	2,19,476.0	2,35,875.2	3,88,818.6
Long term Liabilities	15,598.0	12,666.1	14,615.0	17,290.9	20,474.4	17,830.7	18,367.4
Market Cap / Long term Liabilities	761.57%	907.07%	578.36%	829.51%	1071.95%	1322.86%	2116.89%

	Sales / Total Assets						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Total Sales	26,489.5	29,065.9	32,837.5	33,498.1	38,654.5	43,885.7	48,496.9
Total Assets	64,297.4	64,589.5	68,194.3	67,622.2	69,775.9	80,711.9	85,307.8
Return on Asset	41.20%	45.00%	48.15%	49.54%	55.40%	54.37%	56.85%

	Altman's Z Score						
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Final Score	5.62	6.58	4.59	6.18	7.67	9.23	14.09
Financial Stability	Strong	Strong	Strong	Strong	Strong	Strong	Strong

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Thank You



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