

Sun Pharma reports 8% drop in Q4 gross sales at Rs. 6,825 crores

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The company has reported a Net profit at Rs. 1,223 crores, down 14% over Q4 last year, resulting Net profit margin of 18%.



Sun Pharmaceutical Industries Ltd, the world's fourth largest specialty generic pharmaceutical company and India's top pharmaceutical company reported de-growth of 8% in sales/ income Income from operations at Rs. 6,825 crores for Q4 FY17 over the same quarter last year. Similarly the company has reported a Net profit at Rs. 1,223 crores, down 14% over Q4 last year, resulting Net profit margin of 18%.

Dilip Shanghvi, Managing Director, Sun Pharmaceutical Industries said, "Our Q4 performance reflects the impact of the challenging generic pricing environment in the US. Despite this, we continue to invest our strong cash flows in enhancing our specialty pipeline. In Q4, we announced the acceptance of Tildrakizumab filing by EMA for European markets and for US market in May 2017. We will be gradually filing Tildrakizumab in all key markets in the next few quarters. We recently had a pre-NDA meeting with the US FDA for Seciera and we are on track to file this NDA by Q3FY18. We continue to evaluate filing Seciera in other markets. During the quarter, the US FDA lifted the import alert on the Mohali facility while remediation efforts are on-going to bring back the Halol facility into full cGMP compliance."

Sale of branded formulations in India for Q4FY17 was Rs. 1,916 crores, up 10% and accounting for 28% of total sales. For Q4FY17, the company launched 11 new products in the Indian market.

Sales in the US were US\$ 381 million for the quarter, a de-growth of 34% over same period last year and accounted for 37% of total sales. Sales for the previous quarter (i.e., Q4FY16) include the benefit of generic Imatinib exclusivity. At the same time, Taro posted Q4 FY17 sales of US\$ 196 million, down 26% over Q4 last year. Taro's net profit for Q4 was US\$ 83 million, down by 28% over Q4 last year.

Shanghvi noted that the sales in emerging markets were at US\$ 181 million for Q4; a growth of 46% compared to the same quarter last year and accounted for 18% of total sales. This includes the contribution from JSC Biosintez acquisition in Russia.

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US\$ 109 million in Q4FY17, a growth of 38% from the corresponding quarter last year, partly driven by consolidation of Japanese acquisition. ROW markets

accounted for approximately 11% of revenues for Q4FY17.

The company's Active Pharmaceutical Ingredients (API) business imparts benefits of vertical integration for our formulations business. It continues to increase the API supply for captive consumption for key products. For Q4FY17, external sales of API were at Rs. 395 crores, up by 5% over Q4 last year.

Consolidated R&D expense for Q4FY17 was Rs. 600 crores, or 8.8% of sales compared to Rs. 711 crores or 9.6% of sales for Q4 last year. For the quarter, 14 NDAs were filed and 4 approvals were received. Additionally, the pipeline includes 36 approved NDAs while 5 NDAs await US FDA approval.