

Stock Info

Symbol	SUNPHARMA
CMP	₹ 1,652.2
P/E Ratio (TTM)	33.61
Enterprise Value	₹ 3,89,951 Cr
Market CAP	₹ 3,96,394 Cr
52w H/L (Rs)	₹ 1948.9 - ₹ 1429.85

Financial Ratios

ROE (TTM)	15.99
ROCE (TTM)	18.11
Current Ratio (TTM)	3.06
PEG Ratio (TTM)	1.04
Net Profit Margin (TTM)	14.10
EV/EBIDTA (TTM)	68.51
Debt to Equity (TTM)	0.40
ROA (TTM)	6.96

Shareholding Pattern

PARTICULARS	JUN 24	SEP 24	DEC 24
Promoters	54.48	54.48	54.48
Share Holding Pledge	1.07	0	0.69
FII	17.23	18.02	18.05
Total DII	19.28	18.61	18.55
Public	9.01	8.89	8.92

Indexed Stock Performance



PARTICULARS	SUNPHARMA	NIFTY50
1M	4.77%	-1.33%
6M	-10.56%	-11.35%
1Y	5.26%	-2.6%
3Y	82.45%	25.38%
3Y-CAGR	22.19%	7.83%

Analyst

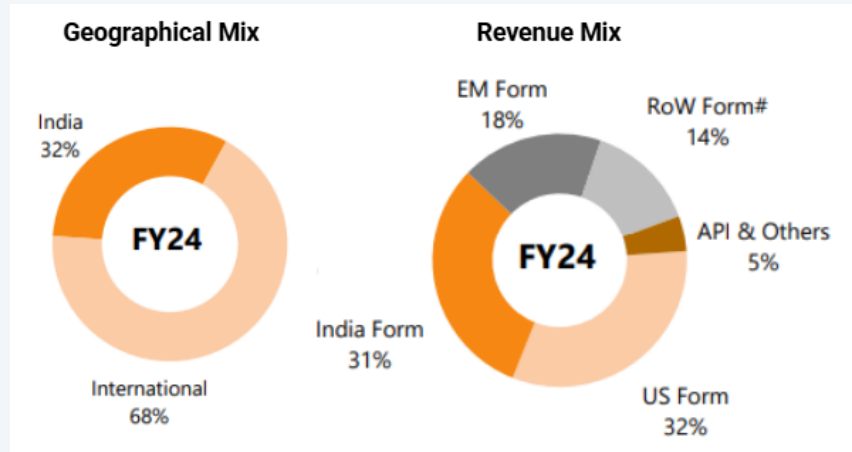
Anoushka Roy (anoushka.roy@tradebrains.in)

Shashi Kumar

►Company Overview

Sun Pharma is the world's fourth-largest specialty generics company, with a presence in specialty, generics, and consumer healthcare products. It is the largest pharmaceutical company in India and a leading generic company in the US and global emerging markets. Sun Pharma's high-growth Global Specialty portfolio includes innovative products in dermatology, ophthalmology, and onco-dermatology, which together account for over 16% of company sales. The company's vertically integrated operations deliver high-quality medicines, trusted by physicians and consumers in over 100 countries, with manufacturing facilities across six continents.

Sun Pharmaceutical Industries Ltd. operates 41 manufacturing facilities globally and has a presence in over 100 countries. The company's portfolio includes 26 specialty products, and it ranks as the 13th largest generic pharmaceutical company in the US. With an 8.2% market share, Sun Pharma is India's largest pharmaceutical company and holds the No. 1 position across 12 classes of prescribers. Additionally, Sun Pharma manufactures over 380 active pharmaceutical ingredients (APIs) for complex formulations.



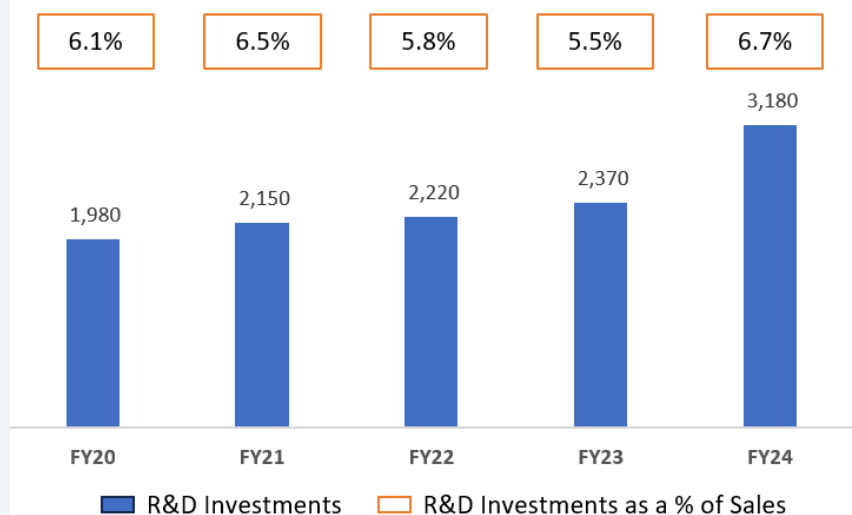
(Source: Company Report, Trade Brains Research)

►Investment Rationale

Growth in the specialty business is driven by product portfolio and partnerships: Sun Pharma reported strong growth in its specialty business during Q3 FY25, driven by a robust product portfolio, including ILUMYA for psoriasis, Cequa for dry eye disease, and Odomzo for basal cell carcinoma. In Q3 FY25, global specialty sales rose by 18% YoY to \$370 million. To further enhance this segment, Sun Pharma entered a global licensing agreement with Philogen for Fibromun, an anticancer immunotherapy. Under this agreement, Sun Pharma has exclusive worldwide commercialization rights and will share post-commercialization revenues in a 55:45 ratio with Philogen. Fibromun is expected to contribute to business growth in FY25. Sun Pharma's specialty business has steadily expanded, growing its contribution to consolidated revenue from 7% in FY19 to 18% in FY24, with sales reaching \$1.04 billion in FY24, reflecting a 19% YoY increase. With aggressive R&D investments, Sun Pharma is diversifying its revenue streams for its long-term growth in the specialty segment.

Strengthening Specialty Business with Increased R&D Investments: The company has significantly increased its R&D spending, with investments in specialty R&D growing from US\$ 65 million in FY20 to US\$ 148 million in FY24. This accounts for 78% of the total R&D growth during the period, driven by clinical studies to advance its Global Specialty pipeline. For FY25, the company plans to allocate 7-8% of sales to R&D, focusing on strengthening pipelines for both global generics and specialty businesses. In Q3FY25, consolidated R&D spending reached Rs. 8,450 million (6.3% of sales), slightly up from Rs. 8,245 million in Q3FY24. For the first nine months of FY25, R&D expenses totaled Rs. 24,319 million, representing 6.2% of sales. The company's R&D efforts span both specialty and generic businesses, and it continue to invest in building the pipeline for various markets, including the US, emerging markets, RoW markets, and India.

R&D Investments (In Rs. Crores)



(Source: Company Report, Trade Brains Research)

Expanding Market Reach Through Acquisitions and Product Launches: Sun Pharma acquired Concert Pharmaceuticals in March 2023 for \$576 million to enhance its dermatology portfolio and expand its presence in the U.S. market. This acquisition grants access to Leqselvi (deuruxolitinib), a potential treatment for alopecia areata. The company is expected to launch Leqselvi in FY26, pending the resolution of ongoing legal issues. Sun Pharmaceutical Industries Limited and Philogen S.p.A. had signed a global exclusive agreement for the commercialization, licensing, and supply of Fibromun, an innovative anti-cancer immunotherapy. The deal, announced in October 2024, grants Sun Pharma worldwide commercialization rights, with post-commercialization revenues shared in a 45:55 ratio in favor of Sun Pharma. According to the AIOCD AWACS MAT Dec-2024 report, Sun Pharma holds the top position in the Indian pharmaceutical market, with its market share rising from 7.8% to 8.2% in a market valued at over Rs. 2,214 billion. Additionally, the SMSRC (July-Oct 2024) report ranks Sun Pharma as No. 1 in prescriptions across 12 different doctor categories. In Q3FY25, the company introduced 12 new products to the Indian market.

Business Performance

In 9M FY25, Sun Pharma reported consolidated gross sales of Rs. 39,225.7 crores, a 9.1% year-on-year growth. India formulation sales increased by 13.7% to Rs. 12,710 crores, while US formulation sales rose by 5.7% to US\$ 1457 million. Sales in emerging markets grew by 7.2% to US\$ 854 million, and the rest of the world's formulation sales declined by 5.2% to US\$ 647 million.

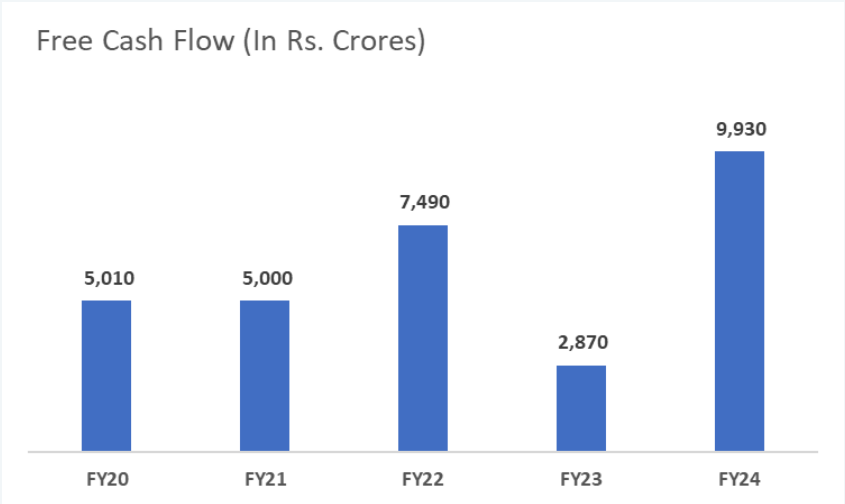
The EBITDA for 9M FY25 stood at Rs. 11,555.6 crores, reflecting a 15.7% growth, with an EBITDA margin of 29.2%. The net profit for 9M FY25 reached Rs. 8,779.2 crores, a 24.3% year-on-year increase compared to Q3 FY24.

In Q3 FY25, Sun Pharma reported gross sales of Rs. 13,436.9 crores, a 10.5% growth compared to Rs. 12,156.9 crores in Q3 FY24. The EBITDA for the quarter was Rs. 4,009 crores, a 15.3% year-on-year increase, with an EBITDA margin of 29.3%. The net profit for Q3 stood at Rs. 2,903.4 crores, a 15% year-on-year increase from Rs. 2,523.8 crores in Q3 FY24.

As of Q3 FY25, Sun Pharma held the No. 1 position in the Indian pharmaceutical market, with its market share rising from 7.8% to 8.2%. India's formulation sales for the quarter reached Rs. 4300.4 crores, a 13.8% growth over the same period last year. These sales accounted for 32% of the company's total consolidated sales. Additionally, in Q3FY25, the company launched 12 new products in the Indian market.

In the U.S., overall sales for Q3 FY25 declined slightly by 0.7% year-on-year to US\$ 474 million, which contributed over 30% of consolidated sales for the quarter.

In FY24, Sun Pharma's Global Specialty revenues grew by 19.3% to \$1,039 million. Products like Winlevi, Ilumya/Ilumetri, Cequa, and Odomzo contributed to this growth. Ilumya's sales rose by 21.7%, reaching \$580 million. By the end of FY24, Sun Pharma had a net cash position of approximately \$2.4 billion.



(Source: Company Report, Trade Brains Research)

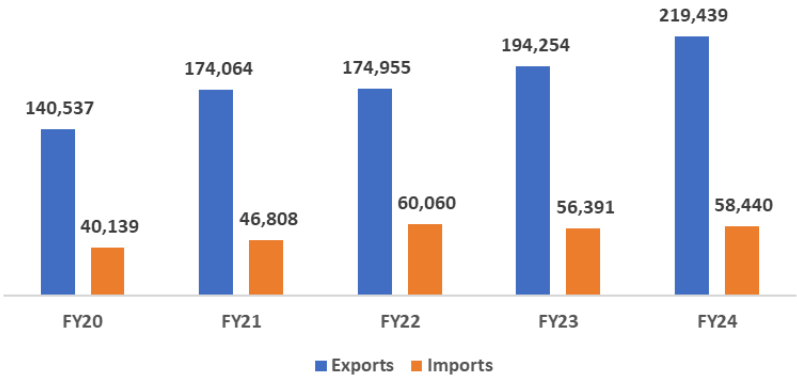
Industry Overview

The Indian pharmaceutical industry stands as the world's third-largest by production volume. In 2024, the market was valued at \$65.20 billion and is expected to grow to \$106.67 billion by 2030, with a projected CAGR of 8.75%. This growth is driven by a strong domestic market supported by an expanding middle class, growing healthcare awareness, and favorable government policies. India is a global leader in vaccine production, supplying over 60% of the world's vaccines and approximately 20% of generic drugs. It holds a dominant position in the production of DPT, BCG, and measles vaccines, contributing 60% of UNICEF's vaccine requirements. In 2023-24, the pharmaceutical industry recorded a turnover of Rs. 4,17,345 crore, registering a 10% growth compared to the previous year.

India's biotechnology sector has also seen remarkable growth, expanding from \$10 billion in 2014 to \$130 billion in 2024, with projections to reach \$300 billion by 2030. This growth is balanced across metropolitan cities, Tier I cities, and rural areas, each contributing roughly 30% to the overall market. The Indian government has introduced several measures to strengthen the pharmaceutical sector and attract investments. A key initiative is the Production Linked Incentive (PLI) scheme, launched in September 2020 under the Self-Reliant India program. With a financial allocation of Rs. 15,000 crore for 2020-2029, the scheme aims to boost manufacturing capabilities and diversify the product range within the industry.

India's pharmaceutical sector has emerged as a key destination for foreign investment, ranking among the country's top ten sectors for FDI investments. The government has allowed 100% foreign investment in medical devices. In pharmaceuticals, greenfield projects have been permitted up to 100% FDI, while brownfield projects are allowed up to 74% FDI under the same route. The sector accounts for 3.8% of India's total FDI inflows. Between April 2000 and March 2024, it attracted Rs. 1,57,087 crore in FDI. In 2023-24 alone, the Department of Pharmaceuticals approved 14 proposals, resulting in an investment inflow of Rs. 11,858 crore into brownfield pharmaceutical projects.

Export-Import of Pharmaceuticals (In Rs. Crores)



(Source: DGCI&S, Ministry of Commerce and Industry)

►Risks and concerns

Regulatory Compliance Challenges: The pharmaceutical industry is tightly regulated, with strict guidelines from authorities like the FDA. Non-compliance can lead to serious consequences, such as product recalls and legal penalties. Companies must maintain proper record-keeping and quality control systems, as failure to do so could result in the rejection of entire product batches.

Supply Chain Vulnerabilities: The pharmaceutical supply chain faces several risks, including disruptions in logistics, inventory shortages, and inaccurate forecasting. These issues can cause delays in product availability, which could impact patient care and harm the company's reputation.

Market Competition and Innovation Gaps: Pharmaceutical companies experience strong competition from both established firms and new entrants. A lack of innovation or a limited product range can reduce market share and customer loyalty. Companies need to adapt to changing market needs and invest in research and development to remain competitive.

US Tariff Impact: The Trump administration has imposed a 26 percent reciprocal tariff on Indian imports, effective April 9, 2025, with exemptions for pharmaceuticals and energy. Pharmaceuticals from India remain tariff-free in the US, while India charges a 10 percent tariff on US pharmaceutical imports. However, Trump has indicated that tariffs on Drug manufacturers could be significant, affecting companies like Sun Pharma, which derives 30% of its sales from the US.

►Outlook and Valuation

Income Statement (Extract)

Particulars (Rs in crores)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Income from operations	38,654	43,886	48,497	51,892	55,783	60,246
other income	922	635	1,354	1,489.5	1,638.5	1,802.3
Total Revenue	39,576	44,520	49,851	53,381	57,422	62,048
Operating Expense	28,256	32,239	35,473	37,495	39,380	41,545
Cost of materials consumed	7,049	7,778	6,904	7,250	7,612	7,993
Purchases of Stock-in-Trade	3,410	3,572	3,466	3,813	4,194	4,613
Change in inventory	(108)	(687)	292	321	353	389
Employee benefits expense	7,300	8,296	9,429	9,806	10,100	10,403
Other expenses	10,604	13,281	15,382	16,305	17,120	18,147
EBITDA	11,320	12,281	14,378	15,887	18,042	20,503
EBITDA Margin(%)	29.29%	27.98%	29.65%	30.61%	32.34%	34.03%
Depreciation and amortisation expenses	2,144	2,529	2,557	2,684	2,819	3,044
Share of profit of associates	(17)	(47)	(38)	0	0	0
EBIT	9,159	9,705	11,783	13,202	15,223	17,459
Interest Cost	127	172	238	240	252	264
Exceptional items	4,567	171	494	0	0	0
Profit Before Tax(EBT)	4,465	9,361	11,050	12,963	14,972	17,195
Effective Tax Rate	1,076	848	1,439	3,241	3,743	4,299
Tax amount	24.10%	9.05%	13.03%	25.00%	25.00%	25.00%
Net Profit	4,465	8,514	9,611	9,722	11,229	12,896
No of Equity shares (in cr)	241	265	241	241	241	241
EPS Basic	14	35	40	40	47	54

(Source: Company Reports, Trade Brains Research)

Balance sheet (Extract)

Particulars (Rs in crores)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Property, Plant and Equipment	10,371	10,390	10,192	10,308	10,489	10,945
Capital Work-in-Progress	798	963	1,108	1,440	1,512	1,588

Goodwill	6,549	8,358	8,599	8,599	8,599	8,599
Intangible assets	5,539	5,317	4,420	4,641	4,873	5,117
Investments	5,704	9,461	10,687	11,222	12,119	12,725
Loans	1	1	1	1	1	1
Other non-current assets.	414	490	592	621	652	685
Deferred tax assets (net)	2,897	3,519	4,104	4,104	4,104	4,104
Income tax assets (net).	2,512	2,307	2,285	2,399	2,519	2,645
Total Non-Current Assets	34,784	40,807	41,987	43,335	44,869	46,408
Inventories	8,997	10,514	9,868	10,756	11,724	12,780
Investments	7,634	9,373	8,585	9,615	10,768	12,384
Trade receivables	10,593	11,439	11,249	12,487	14,360	15,652
Cash equivalents	4,508	4,624	9,286	12,105	14,256	16,424
Bank Balances	525	1,147	1,235	1,346	1,467	1,599
Loans	170	41	65	71	77	84
Other financial assets	702	765	917	1,000	1,090	1,188
Other current assets	1,886	1,962	2,228	2,429	2,647	2,885
Total Current Assets	35,015	39,862	43,433	49,808	56,390	62,996
Assets classified as held for sale	0	21	42	42	42	42
TOTAL ASSETS	69,799	80,743	85,463	93,184	101,301	109,446
Borrowings	701	6,198	2,844	2,987	3,136	3,293
Trade Payables	4,479	5,682	5,653	5,936	6,648	7,646
Lease liabilities	108	128	126	132	138	145
Current tax liabilities (Net)	178	309	412	432	454	477
Provisions	9,148	5,354	5,358	5,625	5,907	6,202
Other current liabilities	2,587	2,236	2,591	2,721	2,857	3,000
Total current Liabilities	17,200	19,907	16,984	17,833	19,140	20,762
Long term borrowings	230	0	1	0	0	0
Lease liabilities	252	560	302	317	333	350
Provisions	369	343	414	434	456	479
Other non-current liabilities	651	587	500	525	551	579
Deferred tax liabilities (Net)	32	32	156	163	172	180
Total Non Current Liabilities	1,533	1,521	1,373	1,440	1,512	1,588
Equity Share Capital	240	240	240	240	240	240
Other Equity	47,771	55,755	63,427	70,232	76,969	83,418
Total Equity	48,011	55,995	63,667	70,472	77,209	83,657
Non-controlling interests	3,055	3,320	3,439	3,439	3,439	3,439
TOTAL LIABILITIES AND EQUITY	69,799	80,743	85,463	93,184	101,301	109,446

(Source: Company Reports, Trade Brains Research)

Cash Flow Statement (Extract)

Particulars (Rs in crores)	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Profit Before Tax	4,481	9,408	11,088	12,963	14,972	17,195
Depreciation and amortisation expense	2,144	2,529	2,557	2,684	2,819	3,044
other adjustments	(169)	193	(1,002)	240	252	264
Operating Profit before working capital changes	6,456	12,131	12,642	15,887	18,042	20,503
(Increase) / Decrease in inventories	307	(1,202)	599	(888)	(968)	(1,055)
(Increase) / Decrease in trade receivables	(1,342)	(953)	353	(1,237)	(1,873)	(1,292)
(Increase) / Decrease in other assets	14	(216)	(384)	(350)	(376)	(404)
Increase / (Decrease) in trade payables	370	1,182	250	283	712	997
Increase / (Decrease) in other liabilities	(2,333)	(669)	241	183	192	202
Increase / (Decrease) in provisions	4,544	(3,804)	4	289	303	318
Cash generated from operations	8,015	6,469	13,704	14,165	16,032	19,269
Income tax paid (net of refunds)	969	(1,510)	(1,569)	(3,241)	(3,743)	(4,299)
Net cash generated from operating activities	8,984	4,959	12,135	10,924	12,289	14,970

Fixed asset purchased	(1,495)	(2,086)	(2,202)	(3,132)	(3,072)	(3,576)
Fixed asset sold and Sale of subsidiaries	61	21	31	0	0	0
Interest received	76	318	613	0	0	0
Dividend received	134	132	99	0	0	0
Other Investing Items	(4,500)	(6,329)	769	(1,979)	(2,495)	(2,695)
Net cash generated from investing activities	(5,724)	(7,943)	(690)	(5,112)	(5,567)	(6,271)
Borrowings	1,657	8,160	4,573	162	172	180
Repayments of borrowings	(4,400)	(2,900)	(8,106)	0	0	0
Dividend paid	(2,159)	(1)	(2,898)	(2,917)	(4,492)	(6,448)
Other Financing Activities	(291)	(2,883)	(279)	(240)	(252)	(264)
Net Cash Flow from Financing Activities	(5,193)	2,376	(6,710)	(2,994)	(4,571)	(6,532)
Net Cash flow	(1,933)	(608)	4,735	2,819	2,151	2,168
Cash and cash equivalent at the beginning of the year	6,273	4,509	4,624	9,286	12,105	14,256
Other adjustments	169	723	(73)	0	0	0
Cash and Cash Equivalents at the end of the year	4,509	4,624	9,286	12,105	14,256	16,424

(Source: Company Reports, Trade Brains Research)

►Summary

Sun Pharma, with an 8.2% market share, is India's largest pharmaceutical company and holds the No. 1 position across 12 class of prescribers. The company's specialty business contributes nearly 18% to its total consolidated revenue. To drive further growth and diversify its revenue streams, Sun Pharma has increased its R&D expenditure by 34% year-on-year.

In Q3 FY25, Sun Pharma delivered strong revenue growth, primarily driven by the India and US markets and supported by volume-driven expansion, new product launches, and the strong performance of specialty products such as Ilumya, Cequa, and Winlevi. Additionally, improved product mix and cost reduction initiatives have enhanced EBITDA growth over the past three years.

Based on these performance indicators, **we recommend a 'buy' rating on the stock, with a target price of Rs 1,990, based on a 48x price-to-earnings (PE) ratio for FY26 earnings estimates.**

Dailyraven Technologies Pvt Ltd

CIN : U74999BR2018PTC038208

Registered office : H/O Suman Sinha, East Laxmi Nagar, Khemnichak, Sampathchak, Patna, Bihar - 800027

Corporate office : No 1212, SBM Fortune, First Floor, 22nd Cross, Club Road, Sector - 3, HSR Layout, Bengaluru - 560102

portal.tradebrains.in | compliance@tradebrains.in | +91 63668 69465

Compliance Officer: R Venkatesh Prabhu, Email: compliance@tradebrains.in, Tel No: +91 63668 69465

DISCLOSURES:
1. Research entity or Research analyst or his associates or his relatives have no financial interest in the subject company.
2. Research analyst or research entity or its associates or relatives, have no actual/beneficial ownership of one per cent or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance or research recommendation.
3. Research entity or Research analyst or its associate or relatives has no connection or association of any sort with any issuer of products/ securities recommended herein.
4. Research analyst or his associate or his relative has no actual or potential conflicts of interest arising from any connection to or association with any issuer of products/ securities, including any material information or facts that might compromise its objectivity or independence in the carrying on of research and recommendations services.
5. Research entity or Research analyst or its associates has not received any kind of remuneration or consideration form the products/ securities recommended herein.
6. Research entity or Research analyst or its associates have not received any compensation from the subject company in past 12 months.
7. Research entity or Research analyst or its associates have not managed or co-managed the public offering of Subject Company in past 12 months.
8. Research entity or Research analyst or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in past 12 months.
9. Research entity or Research analyst or its associates have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months.
10. Research entity or Research analyst or its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report or research recommendations.
11. Research entity or Research analyst or its associates have not received any compensation for products or services from the subject company in past 12 months.
12. The subject company is or was not a client of Research entity or Research analyst or its associates during twelve months preceding the date of distribution of the research report and recommendation services provided.
13. Research Analysts or its associates has not served as an officer, director or employee of the subject company.
14. Research Analysts has not been engaged in market making activity of the subject company.
DISCLAIMERS:

Disclaimer

This report (including the views and opinions expressed therein, and the information comprising therein) has been prepared by Dailyraven Technologies Private Limited (hereinafter referred to as "Dailyraven"). Dailyraven is registered with SEBI as a Research Analyst vide Registration No.INH000015729.

The term "Dailyraven" shall, unless the context otherwise requires, mean Dailyraven and its affiliates, subsidiaries. This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dailyraven and its affiliates/subsidiaries to registration or licensing requirements within such jurisdictions.

The information in this report is compiled from data considered accurate and reliable at the time of its publication.

Dailyraven is not required to issue regular reports on the subject matter of this report at any frequency and it may cease to do so or change the periodicity of reports at any time. Dailyraven is not under any obligation to update this report in the event of a material change to the information contained in this report. Dailyraven has not any and will not accept any, obligation to (i) check or ensure that the contents of this report remain current, reliable or relevant; (ii) ensure that the content of this report constitutes all the information a prospective investor may require; (iii) ensure the adequacy, accuracy,

completeness, reliability or fairness of any views, opinions and information, and accordingly, Dailyraven and its affiliates/Subsidiaries shall not be liable in any manner whatsoever for any consequences (including but not limited to any direct, indirect or consequential losses, loss of profits and damages) of any reliance thereon or usage thereof.

Unless otherwise specified, this report is based upon reasonable sources. Such sources will, unless otherwise specified, for market data, be market data and prices available from the main stock exchange or market where the relevant security is listed, or, where appropriate, any other market. Information on the accounts and business of company(ies) will generally be based on published statements of the company(ies), information disseminated by regulatory information services, other publicly available information and information resulting from our research. Whilst every effort is made to ensure that statements of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable as of the date of the document in which they are contained and must not be construed as a representation that the matters referred to therein will occur. Past performance is not a reliable indicator of future performance. The value of investments may go down as well as up and those investing may, depending on the investments in question, lose more than the initial investment. No report shall constitute an offer or an invitation by or on behalf of Dailyraven and its affiliates/subsidiaries to any person to buy or sell any investments.

Dailyraven Technologies Private Limited maintains arm's length distance between the Research Activities and other business activities of the company.

This report is meant for the clients of Dailyraven only.

Investment in securities are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office: H/O Suman Sinha, East Laxmi Nagar, Khemnichak, Sampatchak, Patna, Bihar - 800027

Corporate Office: No 1212, SBM Fortune, First Floor, 22nd Cross, Club Road, Sector - 3, HSR Layout, Bengaluru - 560102.

Compliance officer: R Venkatesh Prabhu. Email id : compliance@tradebrains.in, Contact No. +91 63668 69465

Ratings	Expected absolute returns over 12 - 18 months
BUY	More than 10%
HOLD	Between 10% to -10%
SELL	Less than -10%
NOT RATED	We have forward looking estimates for the stocks, but we refrain from assigning valuation and recommendation
UNDER REVIEW	We will revisit our recommendation, valuation and estimates on the stock following recent events
NO STANCE	We do not have any forward-looking estimates, valuation or recommendation for the stock

Note : Returns stated in the rating scale are our internal benchmark .