

## Sun Pharma

### Performance Highlights

(₹ cr)	3QFY2017	2QFY2017	% chg (qoq)	3QFY2016	% chg (yoy)
<b>Net sales</b>	<b>7,683</b>	<b>7,764</b>	<b>(1.0)</b>	<b>7,087</b>	<b>8.4</b>
Other income	352	621	(43.3)	208	68.9
Gross profit	5,435	5,924	(8.3)	5,354	1.5
Operating profit	2,224	2,667	(16.6)	2,210	0.6
<b>Adj. Net profit</b>	<b>1,722</b>	<b>2,235</b>	<b>(23.0)</b>	<b>1,940</b>	<b>(11.2)</b>

Source: Company, Angel Research

For 3QFY2017 Sun Pharmaceuticals posted results marginally lower than expectations on sales front, while OPM came in much below expectation, however, net profit was slightly below expectations. Sales came in at ₹7,683cr (v/s ₹7800cr expected) v/s ₹7,087cr in 3QFY2016, a yoy growth of 8.4%. Indian sales at ₹1,969cr, posted a yoy growth of 5%, while USA finished dosage sales (45% of sales) at US\$507mn, posted a yoy growth of 4%. On EBITDA front, the company posted an EBITDA of 28.9% (v/s 33.6% expected) v/s 31.2% in 3QFY2016. Consequently, Adj. PAT came in at ₹1,722cr (v/s ₹1,734cr expected) v/s ₹1,940cr in 3QFY2016, a yoy de-growth of 11.2% yoy. **We maintain our Buy.**

**OPM lower than expectations:** Sales came in at ₹7,683cr (v/s ₹7,800cr expected) v/s ₹7,087cr in 3QFY2016, a yoy growth of 8.4%. Indian sales at ₹1,969cr, posted a yoy growth of 5%, while USA finished dosage sales (45% of sales) at US\$507mn, posted a yoy growth of 4%. On EBITDA front, the company posted an EBITDA of 28.9% (v/s 33.6% expected) v/s 31.2% in 3QFY2016. Consequently, Adj. PAT came in at ₹1,722cr (v/s ₹1,734cr expected) v/s ₹1,940cr in 3QFY2016, a yoy de-growth of 11.2% yoy.

**Outlook and valuation:** Sun Pharma is one of the largest and fastest growing Indian pharmaceutical companies. We expect its net sales to post a CAGR of 12.7% (including Ranbaxy Laboratories) to ₹35,258cr and EPS to post a CAGR of 26.5% to ₹35.3 over FY2016–18E. **We recommend a Buy rating on the stock.**

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2015	FY2016	FY2017E	FY2018E
<b>Net sales</b>	<b>27,287</b>	<b>27,744</b>	<b>31,129</b>	<b>35,258</b>
% chg	70.6	1.7	12.2	13.3
<b>Adj. Net profit</b>	<b>4,743</b>	<b>5,306</b>	<b>7,260</b>	<b>8,495</b>
% chg	(10.0)	11.9	36.8	17.0
<b>EPS (₹)</b>	<b>22.9</b>	<b>22.0</b>	<b>30.2</b>	<b>35.3</b>
EBITDA margin (%)	28.6	26.2	32.0	32.9
P/E (x)	28.4	29.5	21.6	18.4
RoE (%)	21.1	18.3	20.0	20.1
RoCE (%)	21.1	16.6	18.9	18.9
P/BV (x)	5.9	4.3	3.5	2.9
EV/Sales (x)	4.8	5.5	4.7	3.9
EV/EBITDA (x)	16.8	20.9	14.6	11.9

Source: Company, Angel Research; Note: CMP as of February 14, 2017

## BUY

CMP	₹650
Target Price	₹847

Investment Period	12 months
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Stock Info	
Sector	Pharmaceutical
Market Cap (₹ cr)	156,476
Net Debt (₹ cr)	(6,960)
Beta	0.7
52 Week High / Low	898/572
Avg. Daily Volume	465,142
Face Value (₹)	1
BSE Sensex	28,339
Nifty	8,792
Reuters Code	SUN.BO
Bloomberg Code	SUNP@IN

Shareholding Pattern (%)	
Promoters	54.4
MF / Banks / Indian Fls	15.6
FII / NRIs / OCBs	22.0
Indian Public / Others	8.0

Abs. (%)	3m	1yr	3yr
Sensex	5.7	23.3	39.1
Sun Pharma	(5.6)	(23.4)	6.8

#### 3-year price chart



Source: Company, Angel Research

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**Exhibit 1: 3QFY2017 performance (Consolidated)**

Y/E March (₹ cr)	3QFY2017	2QFY2017	% chg QoQ	3QFY2016	% chg yoy	9MFY2017	9MFY2016	% chg
<b>Net sales</b>	<b>7,683</b>	<b>7,764</b>	<b>(1.0)</b>	<b>7,087</b>	<b>8.4</b>	<b>23,439</b>	<b>20,472</b>	<b>14.5</b>
Other income	351.6	620.5	(43.3)	208.1	68.9	1,365	737.2	85.2
<b>Total income</b>	<b>8,035</b>	<b>8,385</b>	<b>(4.2)</b>	<b>7,295</b>	<b>10.1</b>	<b>24,805</b>	<b>21,209</b>	<b>17.0</b>
<b>Gross profit</b>	<b>5,435</b>	<b>5,924</b>	<b>(8.3)</b>	<b>5,354</b>	<b>1.5</b>	<b>17,504</b>	<b>15,550</b>	<b>12.6</b>
<b>Gross margin (%)</b>	<b>70.7</b>	<b>76.3</b>		<b>75.6</b>		<b>74.7</b>	<b>76.0</b>	
Operating profit	2,224	2,667	(16.6)	2,210	0.6	7,575	4,916	54.1
<b>Operating margin (%)</b>	<b>28.9</b>	<b>34.3</b>		<b>31.2</b>		<b>32.3</b>	<b>24.0</b>	
Interest	167	54	210.3	128	30.7	355	420	(15.6)
Depreciation	307	304	1.0	251	22.3	927	750	23.6
Extraordinary item loss/ ( gain)	0	0		0		0	609	
<b>PBT</b>	<b>2,102</b>	<b>2,930</b>	<b>(28.3)</b>	<b>2,040</b>	<b>3.0</b>	<b>7,659</b>	<b>4,484</b>	<b>70.8</b>
Provision for taxation	372.9	441.7	(15.6)	88.8	319.9	1,167	496	135.2
<b>PAT before extra-ordinary item</b>	<b>1,729</b>	<b>2,488</b>	<b>(30.5)</b>	<b>1,951</b>	<b>(11.4)</b>	<b>6,492</b>	<b>3,988</b>	<b>62.8</b>
Minority interest(MI)	7	253	(97.1)	12	(37.5)	31	(8)	-
<b>Reported PAT</b>	<b>1,722</b>	<b>2,235</b>	<b>(23.0)</b>	<b>1,940</b>	<b>(11.2)</b>	<b>6,461</b>	<b>3,996</b>	<b>61.7</b>
<b>Adj. PAT</b>	<b>1,722</b>	<b>2,235</b>	<b>(23.0)</b>	<b>1,940</b>	<b>(11.2)</b>	<b>6,461</b>	<b>4,605</b>	<b>40.3</b>
<b>Adj. EPS (₹)</b>	<b>7.2</b>	<b>9.3</b>		<b>8.1</b>		<b>26.8</b>	<b>9.4</b>	

Source: Company, Angel Research

**Exhibit 2: 3QFY2017 – Actual V/s Angel estimates**

(₹ cr)	Actual	Estimates	Variance (%)
<b>Net sales</b>	<b>7,683</b>	<b>7,800</b>	<b>(1.5)</b>
Other income	352	255	38.0
Operating profit	2,224	2,621	(15.2)
Tax	373	542	(31.2)
<b>Adj. Net profit</b>	<b>1,722</b>	<b>1,734</b>	<b>(0.7)</b>

Source: Company, Angel Research

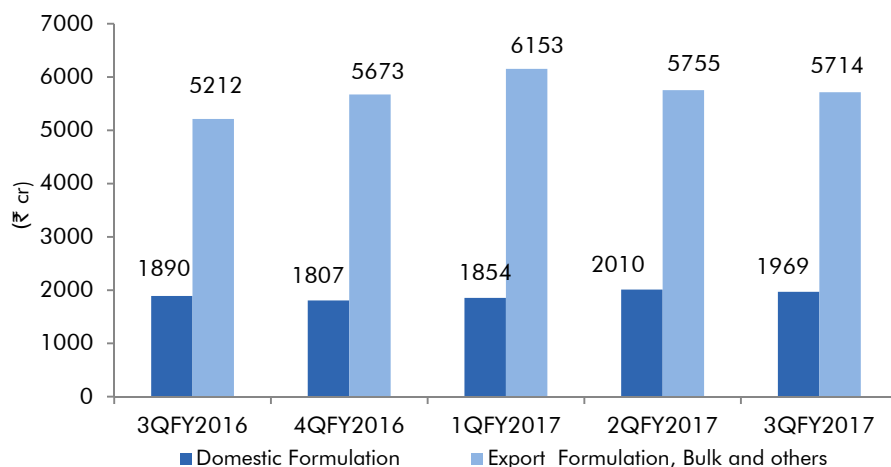
**Numbers just in-line with expectations:** Sales came in at ₹7,683cr (v/s ₹7800cr expected) v/s ₹7087cr in 3QFY2016, a yoy growth of 8.4%. Indian sales at ₹1,969cr, posted a yoy growth of 5%, while USA finished dosage sales (45% of sales) at US\$507mn, posted a yoy growth of 4%.

Sales of branded formulations in India for 3QFY2017 stood at ₹1,969.4cr, up 5.1% yoy and accounted for 26% of total sales. Sun Pharma is ranked No. 1 and holds ~8.7% market share in the ₹100,000cr pharmaceutical market as per the December-2016 AIOCD-AWACS report.

Sales in the US came in at US\$507mn for the quarter, accounting for 45% of total sales. Sales in emerging markets were at US\$172mn for 3QFY2017, a yoy growth of 14% and accounted for 14% of total sales. Formulation sales in Rest of World (ROW) markets excluding US and Emerging markets were US\$113mn in 3QFY2017, a growth of 33% yoy and accounted for ~10% of revenues for the quarter.

The company had a total of 424 ANDAs filed with the USFDA. Currently, ANDAs for 149 products await USFDA approval, including 14 tentative approvals.

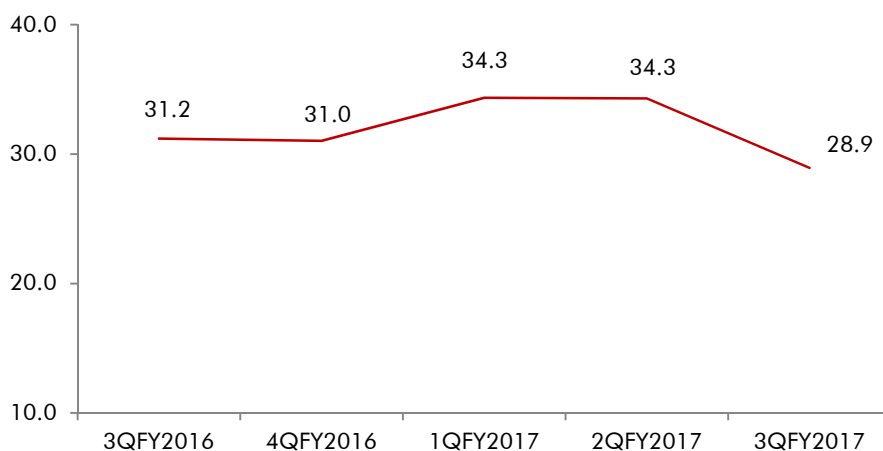
**Exhibit 3: Sales trend**



Source: Company, Angel Research

**OPM at 28.9%; lower than an expected 33.6%:** On EBITDA front, the company posted an EBITDA of 28.9% (v/s 33.6% expected) v/s 31.2% in 3QFY2016. The dip in the OPM was on the back of lower GPM, which came in at 70.7% v/s 75.6% in 3QFY2016. The R&D expenses came in at 8.0% of sales, in-line with last year, posting a yoy growth of 5.0%.

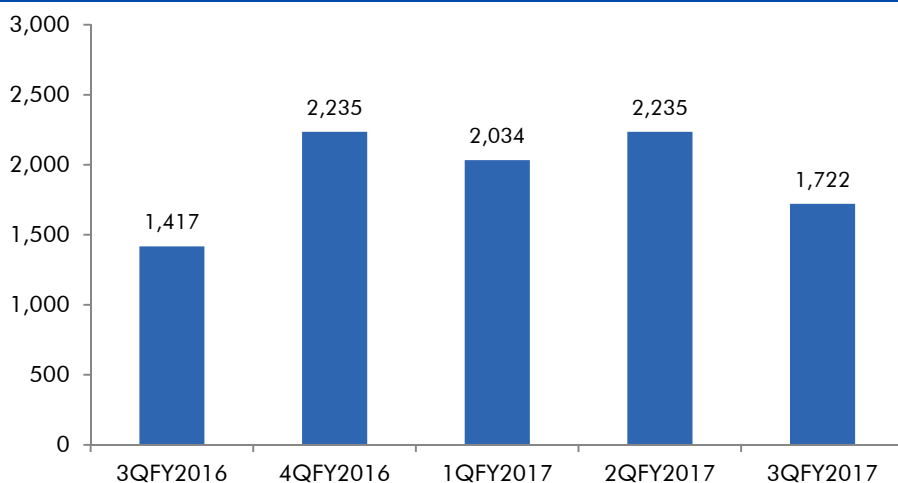
**Exhibit 4: OPM trend (%)**



Source: Company, Angel Research,

**Net profit slightly below expectations:** Consequently, Adj. PAT came in at ₹1,722cr (v/s ₹1,734cr expected) v/s ₹1,940cr in 3QFY2016, a yoy de-growth of 11.2% yoy. Other income came in at ₹351.6cr v/s ₹208.1cr in 3QFY2016, a yoy growth of 68.9%.

**Exhibit 5: Adjusted Net profit trend (₹ cr)**



Source: Company, Angel Research

**Concall takeaways**

- Company is on track to achieve US \$300mn from Ranbaxy synergies by FY2018E. The focus areas for integration include cGMP compliance, sourcing efficiencies as well as revenue synergies.
- Company plans to shift key products from Halol.
- Tildrakizumab NDA filling will be done by Merck in FY2018.
- Revenue from sale of rights to sell Keveyis is part of other operating income.

**Investment arguments**

**Strongest ANDA pipeline:** Sun Pharma, with the recent acquisitions of DUSA, URL Pharma and Ranbaxy Laboratories, has now become strong in the US region, with the geography accounting for 52% of its sales in FY2016. In terms of ANDAs, the company cumulatively has 424 products, out of which 149 products now await USFDA approval, including 14 tentative approvals. With the merger of Ranbaxy Laboratories, the company is now the fifth-largest specialty generics company in the world (behind Teva, Sandoz, Actavis and Mylan). However, the near term performance of the company has been impacted on back of supply constraints at the Halol facility although the company has taken redemption measures including site transfers. Overall, we expect the region to post a CAGR of 14.5% in sales over FY2016-18E, accounting for almost 49% of the overall sales in FY2018E.

**Domestic business:** Sun Pharma’s domestic formulation business is among the fastest growing in the Indian pharmaceutical industry. It contributed 23% to the company’s total turnover in FY2014. Sun Pharma, with Ranbaxy Laboratories’ merger, is now the segment leader with a market share of 8.7% in the domestic formulation market, followed by Abbott India, which has a market share of 6.5%. This is a significant gap considering that the segment is highly fragmented. We expect the domestic formulation business to post a CAGR of 12.5% over FY2016-18E, contributing 25% to the overall formulation sales of the company in FY2018.

**Healthy balance sheet:** Sun Pharma has one of the strongest balance sheets in the sector with cash of ~₹15,000cr. The same can continue to support the Management in inorganic growth and in scouting for acquisitions, especially in the US and in emerging markets.

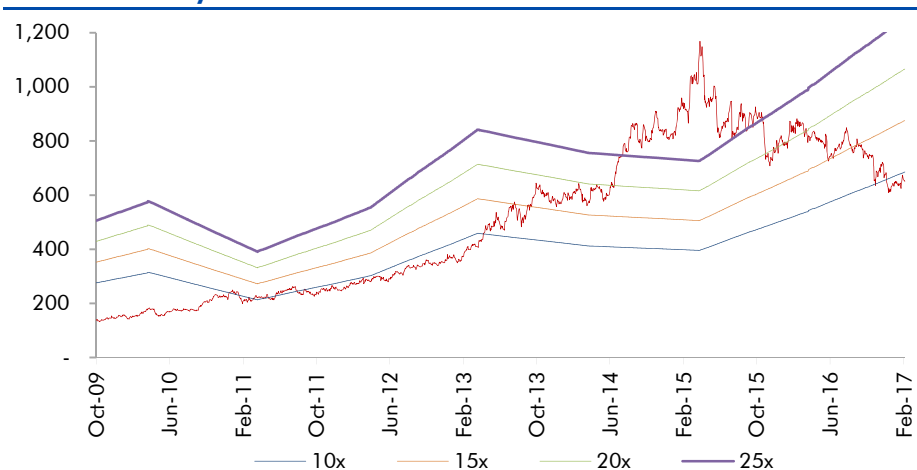
**Outlook and valuation:** Sun Pharma is one of the largest and fastest growing Indian pharmaceutical companies. We expect its net sales to post a CAGR of 12.7% (including Ranbaxy Laboratories) to ₹35,258cr and EPS to post a CAGR of 26.5% to ₹35.3 over FY2016–18E. **We recommend a Buy rating on the stock.**

#### Exhibit 6: Key assumptions

	FY2017E	FY2018E
Domestic Formulation sales growth (%)	10.0	15.0
Export Formulation sales growth (%)	14.3	13.5
Growth in employee expenses (%)	15.0	20.0
Operating margins (%)	32.0	32.9
Tax as % of PBT	15.0	14.0

Source: Company, Angel Research

#### Exhibit 7: One-year forward PE band



Source: Company, Angel Research

**Exhibit 8: Valuation summary**

Company	Reco	CMP (₹)	Tgt. Price (₹)	Upside		FY2018E		FY16-18E	FY2018E	
				%	PE (x)	EV/Sales (x)	EV/EBITDA (x)	CAGR in EPS (%)	RoCE (%)	RoE (%)
Alembic Pharma	Neutral	558	-	-	18.4	3.0	11.4	(10.8)	27.5	25.3
Aurobindo Pharma	Buy	659	877	33.0	13.9	2.7	9.8	18.1	22.5	26.1
Cadila Healthcare	Accum.	366	400	9.4	19.0	3.6	13.3	13.4	22.7	25.7
Cipla	Sell	577	465	(19.4)	23.5	3.2	15.9	14.2	12.2	13.9
Dr Reddy's	Neutral	2,944	-	-	20.6	3.0	11.8	1.7	16.2	15.9
Dishman Pharma	Neutral	216	-	-	19.1	2.5	9.5	13.3	10.3	10.9
GSK Pharma*	Neutral	2,683	-	-	44.5	7.9	32.8	16.9	37.5	34.5
Indoco Remedies	Reduce	266	240	(9.6)	16.6	2.3	10.7	33.2	19.1	20.1
Ipca labs	Buy	523	613	17.2	26.5	2.1	12.0	36.5	8.8	9.4
Lupin	Buy	1,435	1,809	26.0	20.7	4.1	12.7	17.2	24.4	20.9
Sanofi India	Neutral	4,165	-	-	24.2	3.9	17.3	22.2	25.6	28.8
<b>Sun Pharma</b>	<b>Buy</b>	<b>650</b>	<b>847</b>	<b>30.3</b>	<b>18.4</b>	<b>4.6</b>	<b>11.7</b>	<b>26.5</b>	<b>18.9</b>	<b>20.1</b>

Source: Company, Angel Research; Note: \* December year ending

### Company background

Sun Pharma is an international specialty pharma company, with a large presence in the US and India, and a footprint across 40 other markets. In India and rest of the world markets, the key chronic therapy areas for the company are cardiology, psychiatry, neurology, gastroenterology, diabetology, etc. The company is a market leader in specialty therapy areas in India. In India, the company has emerged as a leading pharma company, where it is the third largest player. Also, in the US, a key geography, the company has expanded significantly through both in-organic and organic routes.

**Profit & Loss statement (Consolidated)**

Y/E March (₹ cr)	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>Gross sales</b>	<b>16,200</b>	<b>27,652</b>	<b>28,110</b>	<b>31,412</b>	<b>35,578</b>
Less: Excise duty	195	366	366	283	320
<b>Net sales</b>	<b>16,004</b>	<b>27,287</b>	<b>27,744</b>	<b>31,129</b>	<b>35,258</b>
Other operating income	76	147	526	526	526
<b>Total operating income</b>	<b>16,080</b>	<b>27,433</b>	<b>28,270</b>	<b>31,655</b>	<b>35,784</b>
% chg	42.3	70.6	3.0	12.0	13.0
Total expenditure	9,081	19,470	20,473	21,177	23,643
Net raw materials	2,779	6,739	6,483	7,274	8,239
Other mfg costs	699	1,192	1,212	1,360	1,540
Personnel	2,074	4,430	4,797	5,382	6,459
Other	3,528	7,109	7,981	7,160	7,404
<b>EBITDA</b>	<b>6,923</b>	<b>7,817</b>	<b>7,271</b>	<b>9,953</b>	<b>11,615</b>
% chg	41.1	12.9	(7.0)	(18.0)	(14.1)
(% of Net Sales)	43.3	28.6	26.2	32.0	32.9
Depreciation & amort.	409	1,195	1,014	1,214	1,414
<b>EBIT</b>	<b>6,514</b>	<b>6,622</b>	<b>6,783</b>	<b>9,265</b>	<b>10,727</b>
% chg	42.5	1.7	2.4	(15.0)	15.8
(% of Net Sales)	40.7	24.3	24.4	29.8	30.4
Interest & other charges	44	579	477	477	477
Other income	552	451	1,050	1,050	1,050
(% of PBT)	7.8	6.8	14.3	10.7	9.3
Share in profit of Asso.	-	-	-	-	-
<b>Recurring PBT</b>	<b>7,098</b>	<b>6,641</b>	<b>7,356</b>	<b>9,838</b>	<b>11,300</b>
% chg	44.9	-6.4	10.8	(9.9)	0.0
Extraordinary expense/(inc.)	2,517	237.8	590.5	-	-
<b>PBT (reported)</b>	<b>7,098</b>	<b>6,641</b>	<b>6,765</b>	<b>9,848</b>	<b>11,300</b>
Tax	702.2	914.7	934.9	1,477.2	1,695.0
(% of PBT)	9.9	13.8	13.8	15.0	15.0
<b>PAT (reported)</b>	<b>6,396</b>	<b>5,726</b>	<b>5,830</b>	<b>8,371</b>	<b>9,605</b>
Add: Share of earnings of asso.		(13)	(2)	-	-
Less: Minority interest (MI)	738	936	1,111	1,111	1,111
Prior period items	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>3,141</b>	<b>4,539</b>	<b>4,716</b>	<b>7,260</b>	<b>8,495</b>
<b>ADJ. PAT</b>	<b>5,273</b>	<b>4,743</b>	<b>5,306</b>	<b>7,260</b>	<b>8,495</b>
% chg	52.6	(10.0)	11.9	(5.8)	17.0
(% of Net Sales)	19.6	16.6	0.0	1.0	2.0
<b>Basic EPS (₹)</b>	<b>25.5</b>	<b>22.9</b>	<b>22.0</b>	<b>30.2</b>	<b>35.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>25.5</b>	<b>22.9</b>	<b>22.0</b>	<b>30.2</b>	<b>35.3</b>
% chg	52.6	(10.0)	(3.7)	(18.9)	17.0

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>SOURCES OF FUNDS</b>					
Equity share capital	207	207	241	241	241
Preference capital	-	-	-	-	-
Reserves & surplus	18,318	26,300	31,164	38,142	46,355
<b>Shareholders' funds</b>	<b>18,525</b>	<b>26,507</b>	<b>31,404</b>	<b>38,382</b>	<b>46,595</b>
<b>Minority interest</b>	<b>1,921</b>	<b>2,851</b>	<b>4,085</b>	<b>5,196</b>	<b>6,307</b>
Total loans	2,561	7,596	8,338	8,338	8,338
Deferred tax liability	(911)	(1,752)	(2,126)	(2,126)	(2,126)
Other Long Term Liabilities	9	9	10	10	11
Long Term Provisions	2,602	2,710	2,293	2,221	2,480
<b>Total liabilities</b>	<b>24,707</b>	<b>37,922</b>	<b>44,006</b>	<b>52,022</b>	<b>61,605</b>
<b>APPLICATION OF FUNDS</b>					
Gross block	6,389	15,041	18,621	19,621	20,621
Less: Acc. depreciation	3,668	4,863	6,102	7,315	8,729
<b>Net block</b>	<b>2,721</b>	<b>10,179</b>	<b>12,519</b>	<b>12,306</b>	<b>11,892</b>
Capital work-in-progress	842	842	842	303	1,144
Goodwill	4,097	3,701	4,181	4,181	4,181
<b>Investments</b>	<b>2,786</b>	<b>2,716</b>	<b>1,309</b>	<b>1,551</b>	<b>1,388</b>
Long term long & adv.	1,051	2,736	3,032	3,402	3,854
Current assets	16,688	27,005	30,149	38,581	48,415
Cash	7,590	10,998	13,989	20,220	27,947
Loans & advances	3,774	2,193	2,006	2,480	2,481
<b>Other</b>	<b>3,816</b>	<b>13,813</b>	<b>14,154</b>	<b>15,881</b>	<b>17,987</b>
Current liabilities	3,477	9,256	8,026	8,302	9,269
<b>Net current assets</b>	<b>13,211</b>	<b>17,748</b>	<b>22,123</b>	<b>30,279</b>	<b>39,147</b>
Others	-	-	-	-	-
<b>Total assets</b>	<b>24,707</b>	<b>37,922</b>	<b>44,006</b>	<b>52,022</b>	<b>61,605</b>



**Cash Flow Statement (Consolidated)**

Y/E March (₹ cr)	FY2014	FY2015	FY2016	FY2017E	FY2018E
Profit before tax	7,098	6,641	7,356	9,838	11,300
Depreciation	409	1,195	1,014	1,214	1,414
(Inc)/Dec in working capital	(1,782)	(4,322)	(1,680)	(5,059)	(15,053)
Direct taxes paid	702	915	935	1,477	1,695
<b>Cash Flow from Operations</b>	<b>5,024</b>	<b>2,598</b>	<b>5,754</b>	<b>4,515</b>	<b>(4,034)</b>
(Inc.)/Dec.in Fixed Assets	681	(8,653)	(3,580)	(3,141)	(1,842)
(Inc.)/Dec. in Investments	(374)	70	1,408	1,165	163
Other income	-	-	-	-	-
<b>Cash Flow from Investing</b>	<b>306</b>	<b>(8,583)</b>	<b>(2,172)</b>	<b>(1,975)</b>	<b>(1,679)</b>
Issue of Equity	-	-	-	-	-
Inc./(Dec.) in loans	(548)	(4,928)	(1,157)	(1,230)	260
Dividend Paid (Incl. Tax)	(606)	-	(282)	(282)	(282)
Others	(645)	14,320	847	5,203	13,462
<b>Cash Flow from Financing</b>	<b>(1,799)</b>	<b>9,392</b>	<b>(592)</b>	<b>(2,921)</b>	<b>13,440</b>
Inc./(Dec.) in Cash	3,531	3,408	2,991	6,231	7,727
<b>Opening Cash balances</b>	<b>4,059</b>	<b>7,590</b>	<b>10,998</b>	<b>13,989</b>	<b>20,220</b>
<b>Closing Cash balances</b>	<b>7,590</b>	<b>10,998</b>	<b>13,989</b>	<b>20,220</b>	<b>27,947</b>

**Key Ratios**

Y/E March	FY2014	FY2015	FY2016	FY2017E	FY2018E
<b>Valuation Ratio (x)</b>					
P/E (on FDEPS)	25.5	28.4	29.5	21.6	18.4
P/CEPS	37.9	23.5	27.3	18.5	15.8
P/BV	7.3	5.9	4.3	3.5	2.9
Dividend yield (%)	0.4	0.5	0.2	0.2	0.2
EV/Sales	8.1	4.8	5.5	4.7	3.9
EV/EBITDA	18.7	16.8	20.9	14.6	11.9
EV / Total Assets	5.2	3.5	3.5	2.8	2.2
<b>Per Share Data (₹)</b>					
EPS (Basic)	25.5	22.9	22.0	30.2	35.3
EPS (fully diluted)	25.5	22.9	22.0	30.2	35.3
Cash EPS	17.1	27.7	23.8	35.2	41.2
DPS	2.5	3.0	1.0	1.0	1.0
Book Value	89.4	110.2	151.6	185.3	225.0
<b>Dupont Analysis</b>					
EBIT margin	40.7	24.3	24.4	29.8	30.4
Tax retention ratio	90.1	86.2	86.2	85.0	85.0
Asset turnover (x)	1.1	1.2	1.0	1.1	1.1
ROIC (Post-tax)	40.5	26.1	20.9	28.0	28.3
Cost of Debt (Post Tax)	2.9	9.8	5.2	5.1	9.7
Leverage (x)	0.0	0.0	0.0	0.0	0.0
Operating ROE	40.5	26.1	20.9	28.0	28.3
<b>Returns (%)</b>					
ROCE (Pre-tax)	32.0	21.1	16.6	18.9	18.9
Angel ROIC (Pre-tax)	57.4	38.3	28.6	38.4	38.6
ROE	32.3	21.1	18.3	20.0	20.1
<b>Turnover ratios (x)</b>					
Asset Turnover (Gross Block)	2.3	2.6	1.7	1.8	1.8
Inventory / Sales (days)	98	58	78	89	99
Receivables (days)	80	50	77	89	99
Payables (days)	49	61	94	72	72
WC cycle (ex-cash) (days)	91	82	96	92	57
<b>Solvency ratios (x)</b>					
Net debt to equity	(0.3)	(0.1)	(0.2)	(0.3)	(0.4)
Net debt to EBITDA	(0.7)	(0.4)	(0.8)	(1.2)	(1.7)
Interest Coverage (EBIT/Int.)	-	-	-	-	-

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### Disclosure of Interest Statement

### Sun Pharma

1. Financial interest of research analyst or Angel or his Associate or his relative	No
2. Ownership of 1% or more of the stock by research analyst or Angel or associates or relatives	No
3. Served as an officer, director or employee of the company covered under Research	Yes
4. Broking relationship with company covered under Research	No

**Ratings (Based on expected returns over 12 months investment period):**

Buy (> 15%)

Accumulate (5% to 15%)  
Reduce (-5% to -15%)

Neutral (-5 to 5%)  
Sell (< -15)