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Sun Pharma reports Q1 net profit at Rs.1,387

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Sun Pharmaceutical Industries Ltd. reported financials for the first quarter ending June 30th, 2019.



Sun Pharmaceutical Industries Ltd. reported financials for the first quarter ending June 30th, 2019. Its net profit for the quarter stand at Rs. 1,387 crore with resulting a net profit margin at 16.8 per cent. The company's sales/income from operations was

at Rs. 8,259 crore, a growth of 16 per cent over the same quarter of last year. The company's India sales stood at Rs. 2,314 crore, a growth of 8 per cent over Q1 last year.

Dilip Shanghvi, managing director of the company said, We have recorded growth across most of the markets for the quarter and our performance is in-line with our full-year guidance. We are consistently focusing on improving our efficiencies and cost structure to ensure reasonable returns for our generics business. At the same time, we continue our unwavering efforts on building the specialty business and are encouraged by the potential of one of our pre-clinical research molecules which is likely to enter clinical trials next year.The recent out-licensing of tildrakizumab and Cequa for Greater China market and the regulatory filing of tildrakizumab in Japan reflects our global aspirations for the specialty business. Ilumya/Ilumetri is gradually gaining traction in the US and Western Europe."

Sales in the US were US$ 424 million for the quarter, a growth of 12 per cent over same period last year and accounted for 36 per cent of total sales. Sales for the quarter include the contribution from a significant business of generic supply to a customer.

Taro also posted Q1FY20 sales of US$ 161 million, up 4 per cent over Q1 last year. Taros net profit for Q1 was US$ 66 million, marginally down over Q1FY19.

The company's sales in emerging markets were at US$ 194 million for Q1; flat over same quarter last year. While the business has grown on constant currency basis, unfavorable currency movements have impacted the overall growth. Sales in emerging markets accounted for 16 per cent of total sales for the quarter.

Formulation sales in Rest of World (ROW) markets excluding US and Emerging Markets were US$ 167 million in Q1FY20, a growth of 56 per cent over Q1 last year and accounting for approximately 14 per cent of revenues. Growth drivers include both, organic initiatives as well as consolidation of Pola Pharma (Japan) business.

The company's API business imparts benefits of vertical integration for our formulations business. We continue to increase the API supply for captive consumption for key products. For Q1FY20, external sales of API were at Rs. 461 crore, up by 17 per cent over Q1 last year.

The consolidated R&D investment for Q1FY20 was Rs. 422 crore, or 5.1 per cent of sales compared to Rs. 500 crore or 7 per cent of sales for Q1 last year.