

## Highlights of Q2FY23

- In Q2FY23, SUNPHARMA recorded strong revenue growth of 13.8% YoY (+1.8% QoQ) to INR 109.523 million. For H1FY23, revenue increased 12.2% YoY to INR 217,140 million.
- Taro recorded a revenue of USD 130 million in Q2FY23, a slight decrease YoY and a net loss of USD 2.8 million.
- EBITDA margin improved by 109 bps YoY (+375 bps QoQ) to 29.2% for Q2FY23. EBITDA for the quarter increased by 18.2% YoY (+ 20.3% QoQ) to INR 31,980 million. EBITDA for the first 6 months is INR 59,367 million with a profit margin of 27.3%.
- The company's adjusted net income (excluding specials and foreign exchange losses) was INR 25,037 million for the quarter, an improvement of 17.9% YoY (+ 30.7% QoQ).
- Net profit for the quarter (including special items and loss on exchange differences) is reported at INR 22,622 million, up 10.5% YoY (+9.8 % QoQ). In the first half of fiscal year 23, Net profit reached INR 43,231 million, up 23.8% year-on-year.

### Company Data

Market Cap (cr)	243,664
Total Debt	4366
Enterprise Value (cr)	242,669
No. of shares (cr)	2399
Dividend Yield	0.99%
52 week high	1071
52 week low	734
Beta	0.65
Face value	1

### Share Holding Pattern

Promoters	54.48
MFs/Insti	12.22
FII's	16
Public	9.8
Others	7.5
Total	100
Promoters' pledge %	2.53%

### What Should investors do?

- *The Sun Pharma Stock has done well thus far (19% YTD). particularly this year, where nifty pharma has delivered disappointing returns.*
- *Because the pharmaceutical industry is seen as a defensive one, investors might buy up this stock for stability and strong profits.*
- *We provide 1175 target (16 percent upside movement).-*

Particulars	Jun-22	Sep-22	Var. %	Sep-21	Var. %
<b>Sales</b>	<b>9,447</b>	<b>10,762</b>	<b>14%</b>	<b>9,719</b>	<b>11%</b>
<b>YOY Sales Growth %</b>	<b>10.84%</b>	<b>10.73%</b>	<b>-1%</b>	<b>28.13%</b>	<b>-62%</b>
<b>Expenses</b>	<b>7,106</b>	<b>7,877</b>	<b>11%</b>	<b>6,898</b>	<b>14%</b>
<b>Material Cost %</b>	<b>26.88%</b>	<b>26.95%</b>		<b>27.26%</b>	
<b>Employee Cost %</b>	<b>19.95%</b>	<b>19.28%</b>		<b>18.10%</b>	
<b>Operating Profit</b>	<b>2,340</b>	<b>2,884</b>	<b>23%</b>	<b>2,821</b>	<b>2%</b>
<b>OPM %</b>	<b>25%</b>	<b>27%</b>	<b>8%</b>	<b>29%</b>	<b>-7%</b>
<b>Other Income</b>	<b>-3,822</b>	<b>2</b>		<b>-479</b>	
<b>Exceptional items</b>	<b>-3,936</b>	<b>0</b>		<b>-631</b>	
<b>Other income normal</b>	<b>114</b>	<b>2</b>		<b>153</b>	
<b>Interest</b>	<b>37</b>	<b>14</b>		<b>35</b>	
<b>Depreciation</b>	<b>556</b>	<b>588</b>	<b>6%</b>	<b>503</b>	<b>17%</b>
<b>Profit before tax</b>	<b>-2,076</b>	<b>2,285</b>		<b>1,804</b>	
<b>Tax %</b>	<b>-7%</b>	<b>8%</b>		<b>22%</b>	
<b>Net Profit</b>	<b>-2,227</b>	<b>2,093</b>	<b>-194%</b>	<b>1,404</b>	<b>49%</b>
<b>EPS in Rs</b>	<b>-9.49</b>	<b>8.59</b>		<b>6.02</b>	

## Profitability

	FY20	FY21	FY22	FY23E
EBITDA margins	21.6	25.5	26.7	27.1
EBIT margins %	15.2	19.2	21.1	22
Net profit Margins	11.6	8.7	8.5	19.5
ROE (%)	8.3	6.2	6.8	16
ROCE (%)	8.7	12.1	15.6	16.6

## Valuation

	FY20	FY21	FY22	FY23E
EV/Sales	2.8	4.3	5.7	5.6
EV/EBITDA	12.8	16.9	21.4	20.8
P/E	21.1	20	28.1	28.8
P/BV	1.9	3.1	5	4.6

**Sun  
Pharma**

Vs.

**Nifty**





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