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Sun Pharma focusing on increasing global presence post Ranbaxy deal

Special Correspondent

MUMBAI: Pharmaceutical major Sun Pharmaceuticals will focus on growing its business globally with the immediate challenge being to integrate the business of Ranbaxy Laboratories following the closure of the merger deal.

Sun bought Ranbaxy in a \$4 billion deal, which will make it the world's fifth largest specialty generic pharmaceutical company, with a footprint covering five continents and its products sold in over 150 countries.

Post the merger, Daiichi Sankyo of Japan, erstwhile owner of Ranbaxy, becomes the second largest shareholder in Sun Pharma. "It is an important milestone in the journey of Sun Pharma," Dilip Shanghvi, Managing Director, Sun Pharma told a press conference. "We see this as a great opportunity to create the first global pharmaceutical company out of India."

He said post the integration, the presence in global



MEGA MERGER: *We see this as a great opportunity to create the first global pharmaceutical company out of India, says Dilip Shanghvi, Managing Director, Sun Pharma.* — PHOTO: PAUL NORONHA

consumer health business ophthalmology.

would be a new important engine of growth for the combine. The global market for these products is around \$20 billion and Sun will focus on the areas of Dermatology, central nervous system (CNS), pain and

merged entity's gross margin stood at 76 per cent (industry average 62 per cent), operating margin at 32 per cent (industry average 19 per cent) and net margin at 20 per cent (industry average 12 per cent).

Sun has identified three priority levers for growth of the combine including achieving 100 per cent compliance in manufacturing to meet the regulator's expectations, increase in R&D productivity and strong business growth across markets.

Mr. Shanghvi said around 40 per cent of the combine's turnover is from India and emerging markets and the endeavour would be to grow the market share. "Currently 150 products are awaiting approval in the U.S. alone. Our OTC business in the U.S. alone is more than \$100 million."

At the time of announcement of the merger, Sun was looking at synergy benefits of \$250 million in three years and plans to achieve this much faster.

Company