

## SUN PHARMA STILL GETS BUY RATING

After the acquisition of Ranbaxy Laboratories, Sun Pharma's revenues are estimated at \$4.2 billion. Ranbaxy has a significant presence in the Indian and the US pharmaceutical markets. In high-growth emerging markets, it provides a strong platform which is highly complementary to Sun Pharma's strengths. Thus, the combined entity would be more diversified with US, rest of the world and India contributing 47 per cent, 31 per cent and 22 per cent of sales respectively. In terms of market share, the combination of Sun Pharma and Ranbaxy creates the fifth-largest specialty generics company in the world, the largest pharma company in India with a market share of 9.2 per cent. On the profitability front, Sun is estimated to have a combined pro forma EBDITA of \$1.2 billion, and an operating margin of 28.6 per cent. Thus, the broking house doesn't see any significant de-rating in the stock and maintains its buy rating.

Broking House: Angel  
Broking

Rating: Buy

Closing price: ₹193.65

*Company*