



Alkem Laboratories Limited

Investor Presentation Q1FY17

12th August 2016

Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

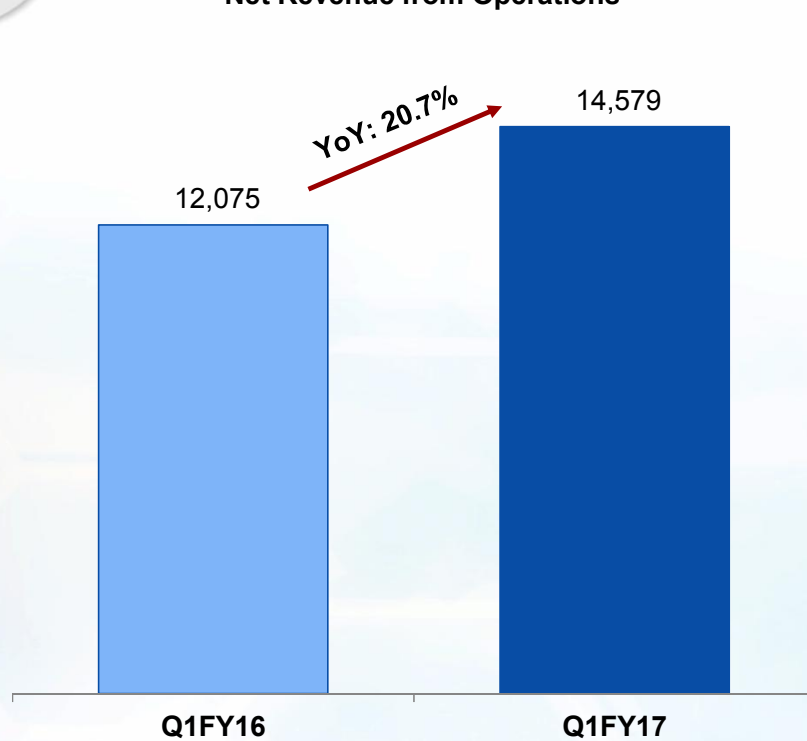
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.

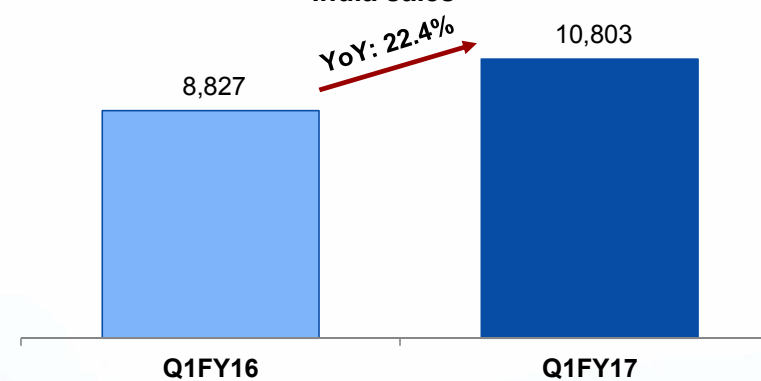
Key Financial Highlights – Q1FY17 Consolidated

All figures in INR mn

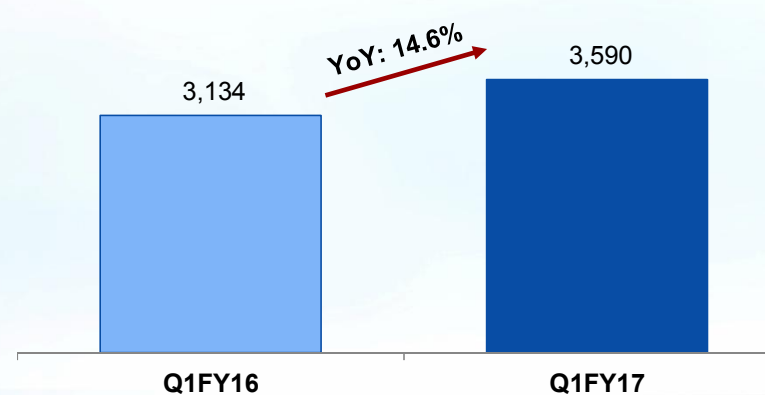
Net Revenue from Operations



India sales



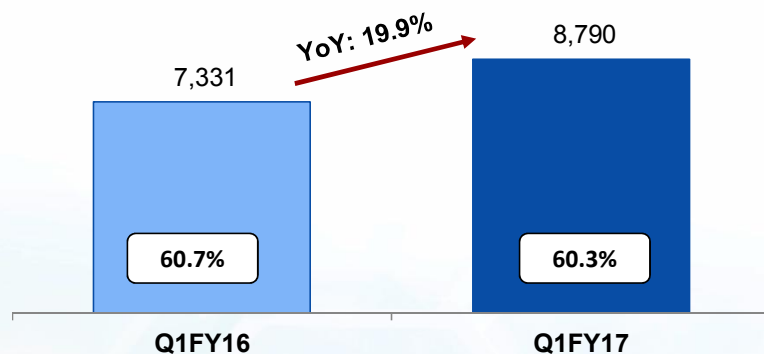
International sales



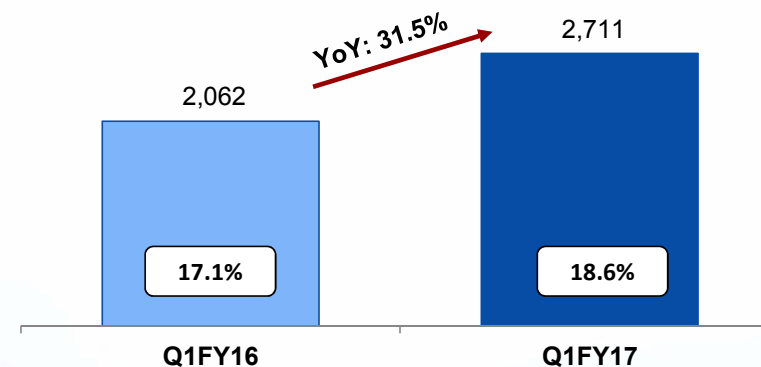
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Gross Profit and Gross Margin



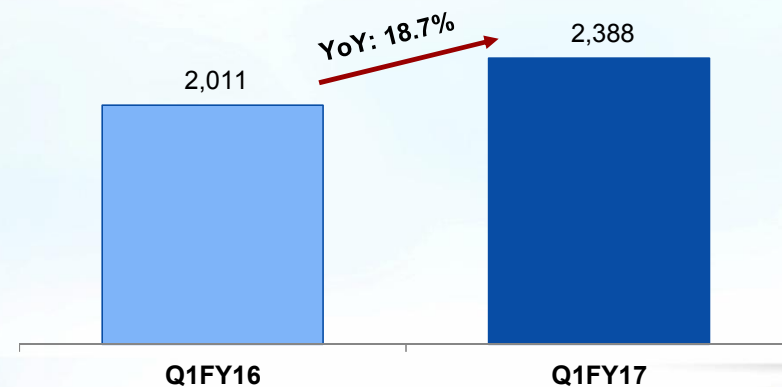
EBITDA and EBITDA Margin



PBT (before Minority Interest)



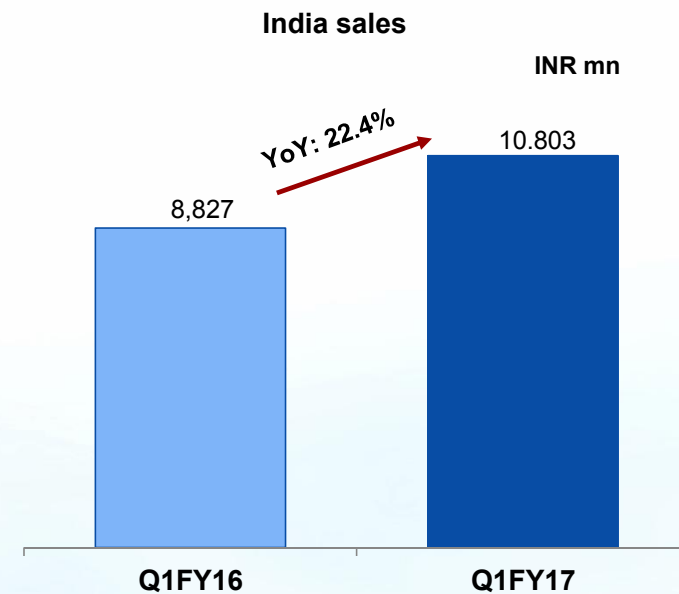
PAT (after Minority Interest)



India Business

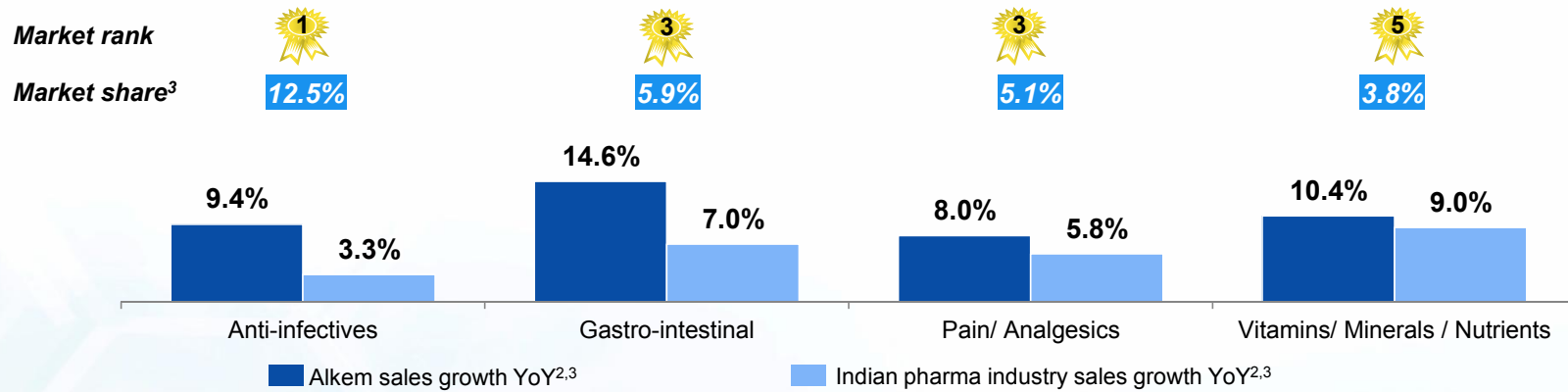
India Business: Q1FY17 Net Sales of Rs.10,803 million (22.4% growth YoY)

- India sales contributed 75.1% to total net sales for Q1FY17
- The robust growth during the quarter was delivered amidst the challenging environment with expansion of NLEM list, WPI led price cuts and NPPA led downward price revision in some of our key brands
- During the quarter Company's secondary sales¹ grew by 10.6% – higher than corresponding IPM growth of 8.6%
- Company delivered more than 600bps of outperformance to the market in the key therapy areas of anti-infectives and gastrointestinal
- Company delivered robust growth in emerging therapies of Neuro / CNS, Cardiac and Anti-Diabetic and resulting in improvement in market ranking

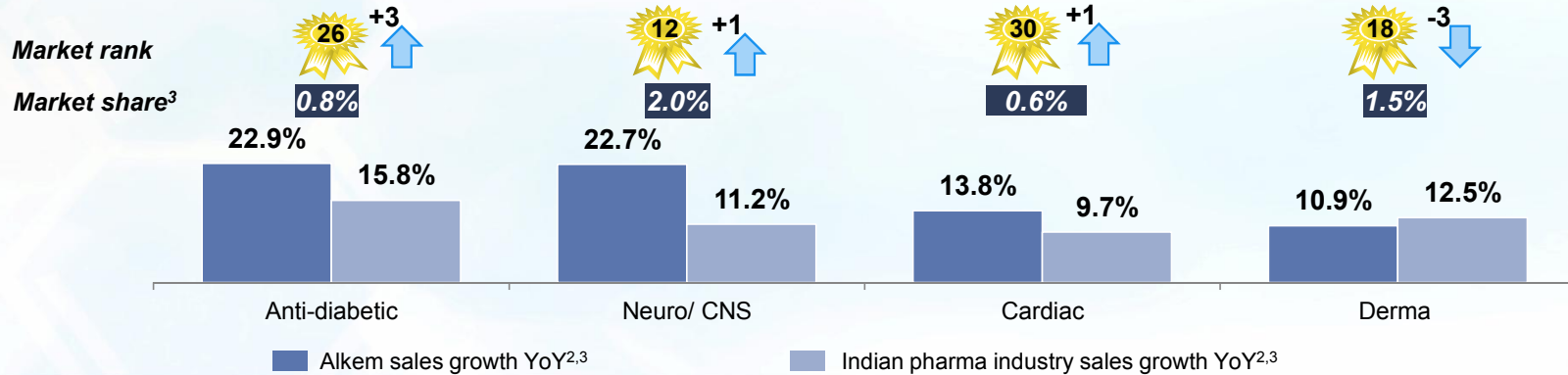


India Business – Therapy performance in Q1FY17

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



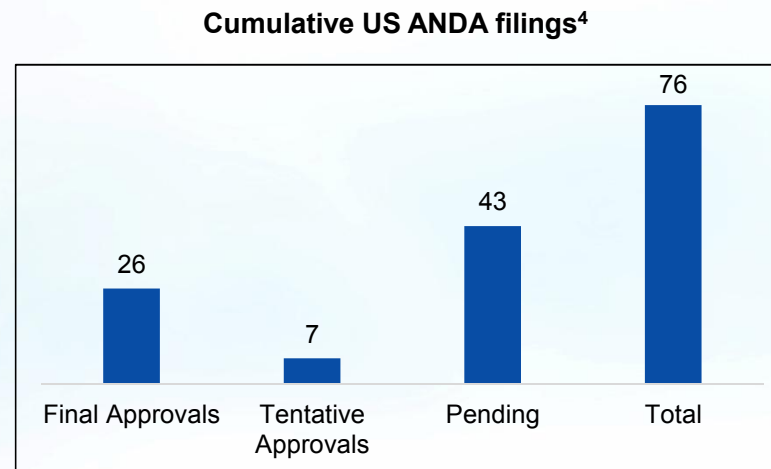
Source: IMS SSA MAT June 2016 ² Domestic formulations sales; ³ For 3 months ended June'16



US Business

US Business: Q1FY17 Net Sales of Rs.2,719 million (11.8% growth YoY)

- US sales contributed 18.9% to total net sales for Q1FY17
- The Company launched 3 new products towards later half of Q1FY17, of which one was in-licensed product
- During the quarter, the Company received 3 tentative ANDA approvals, taking cumulative ANDA approvals to 33 (including 7 tentative approvals) and 1 NDA - as on 30th June'16

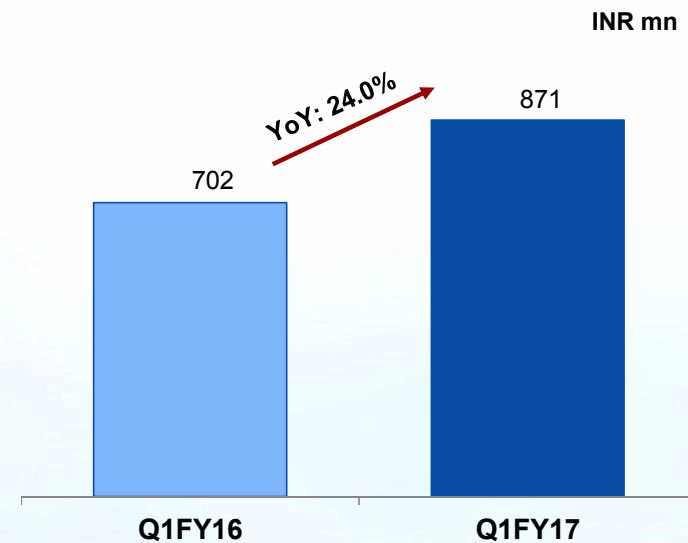


Other International Markets

Other International Markets : Q1FY17 Net Sales of Rs.871 million (24.0% growth YoY)

- Other International sales contributed 6.0% to total net sales for Q1FY17
- Company has presence in more than 50 international markets
- The growth was driven by strong underlying demand in key markets such as Australia, Chile and Kazakhstan
 - In Australia, the Company continues to register strong growth in Osteomol (Company's Paracetamol 665mg brand in Australia)
 - Focusing on retail business in Chile, the Company entered into new contracts with the Chains
 - During the quarter, the Company in-licensed products for its key markets thereby expanding its product offerings

Other International Markets sales



Strategy going forward

1

India Sales: Consolidate our leadership position in the acute segment by driving growth in our mega brands

2

India Sales: Increase our market share in the chronic segment through market share acquisition and new product introductions

3

Improve our field force productivity through SFE (Sales Force Effectiveness) initiatives

4

Continued focus on R&D to accelerate ANDA filings for the US markets and develop differentiated portfolio

5

Strategic partnerships / collaborations to enhance capabilities and product portfolio for focus markets

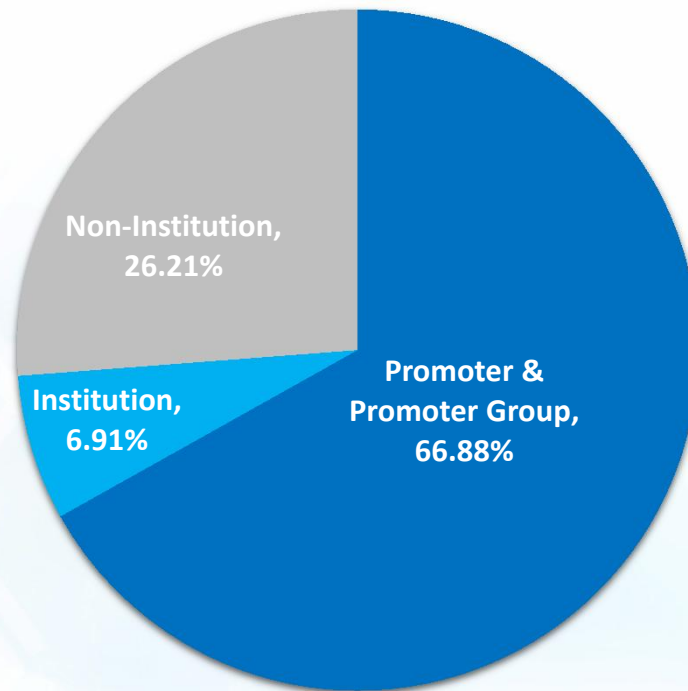


Financials – Key P&L items (Consolidated)

Particulars (Rs mn)	Q1FY17	Q1FY16	YoY growth
Net Income from Operations	14,579	12,075	20.7%
Gross Profit	8,790	7,331	19.9%
Gross Profit margin	60.3%	60.7%	
EBITDA	2,711	2,062	31.5%
EBITDA margin	18.6%	17.1%	
PBT	2,663	2,107	26.4%
PBT margin	18.3%	17.4%	
PAT (After Minority Interest)	2,388	2,011	18.7%
PAT margin	16.4%	16.7%	
EPS (Rs / share)	19.97	16.82	18.7%

Latest Shareholding Pattern

Shareholding pattern as on 30th June 2016



*Institution – Mutual Funds, Financial Institutions, Foreign Portfolio Investors, Foreign Institutional Investors, Nationalised and Non-Nationalised Banks
Non-Institution – Public, Other Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts*



Thank You

