



# Alkem Laboratories Limited

## Investor Presentation Q3FY16

February 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.

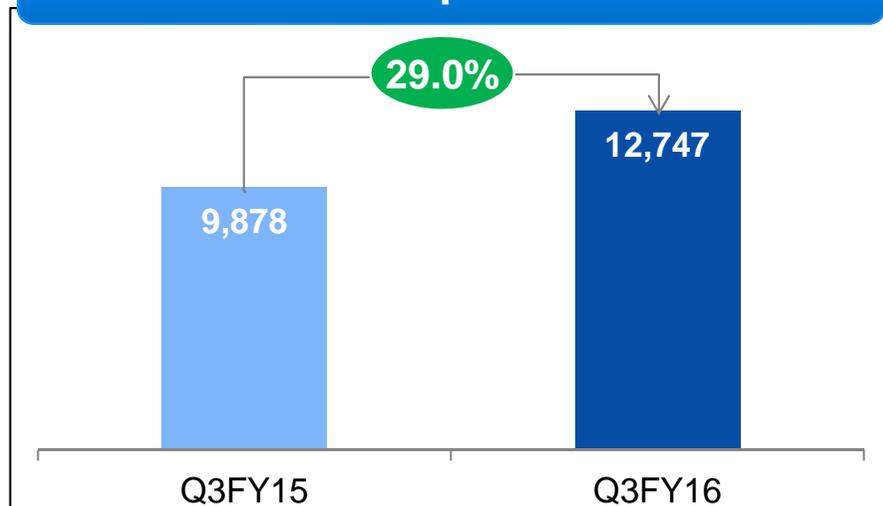
Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this presentation speaks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

# Financial Highlights – Q3FY16 Consolidated

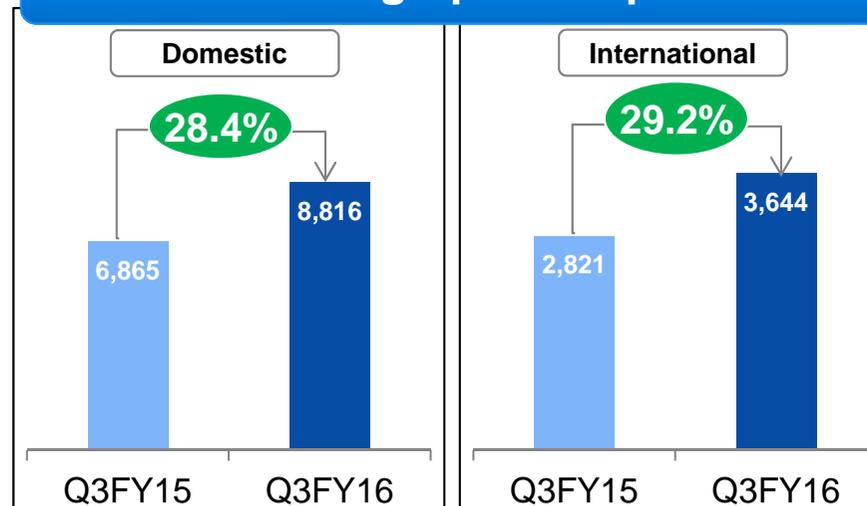


All figures in INR mn

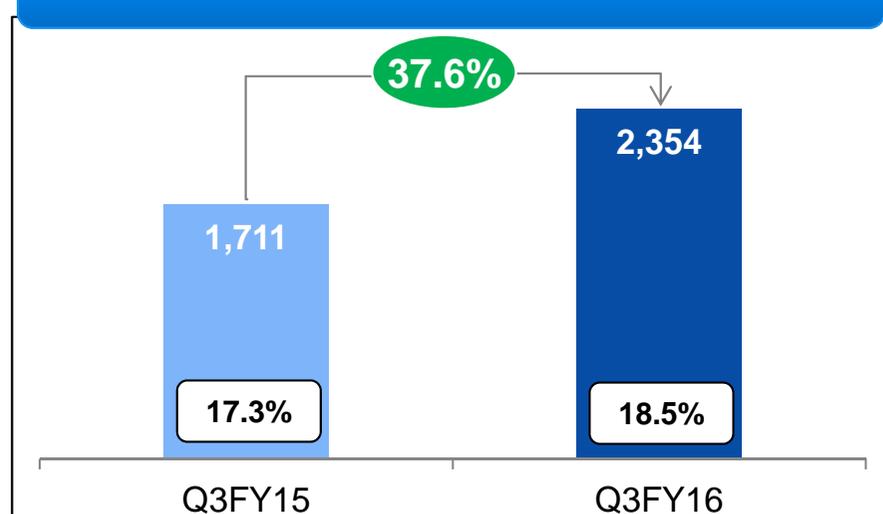
## Net Income from Operations



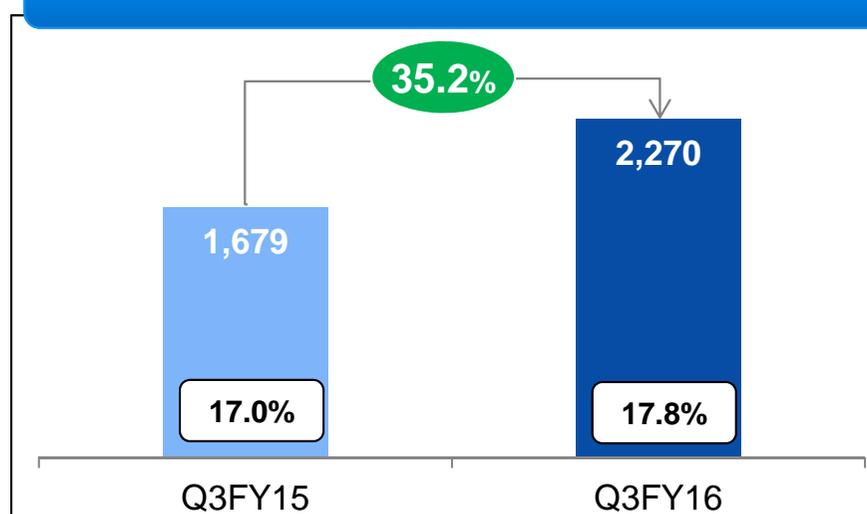
## Net Sales – Geographical Split



## EBITDA



## PBT



YoY Growth%

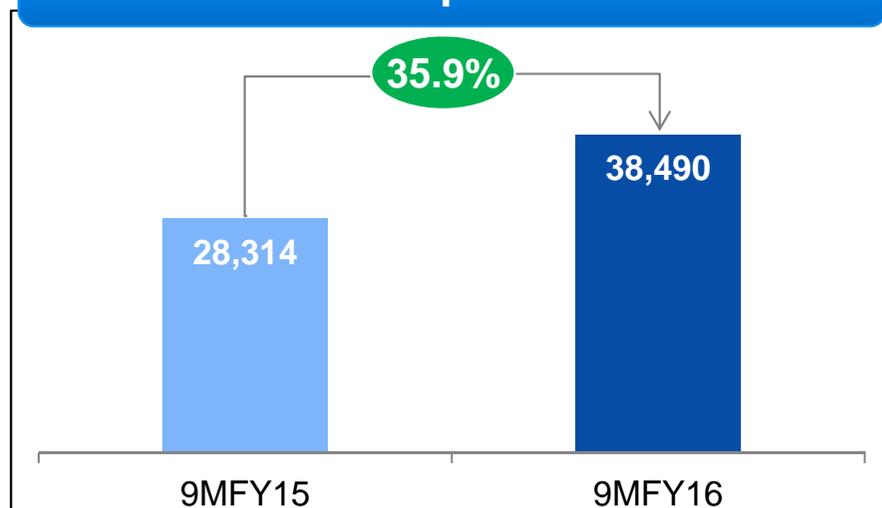
% of Net Income from Operations

# Financial Highlights – 9MFY16 Consolidated

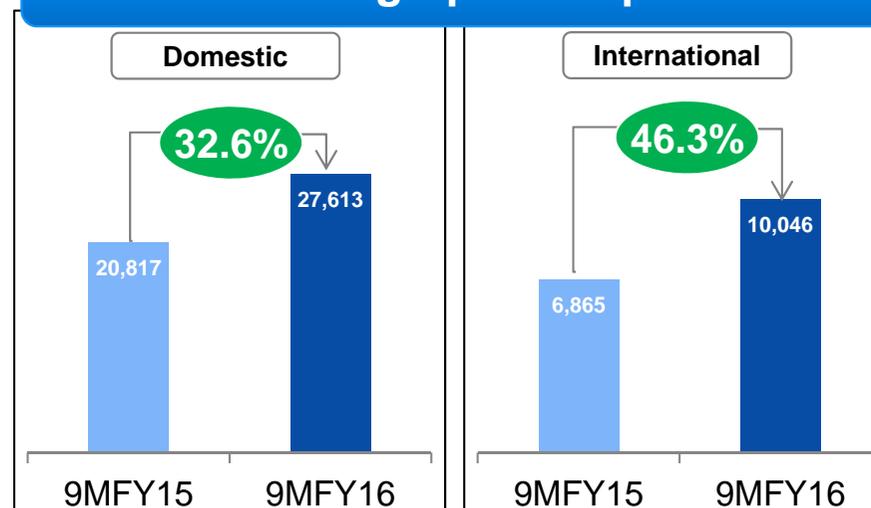


All figures in INR mn

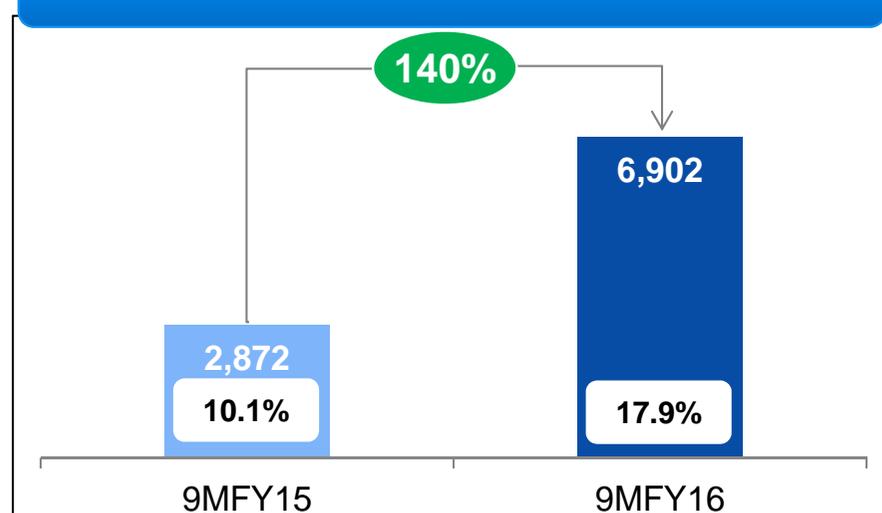
## Net Income from Operations



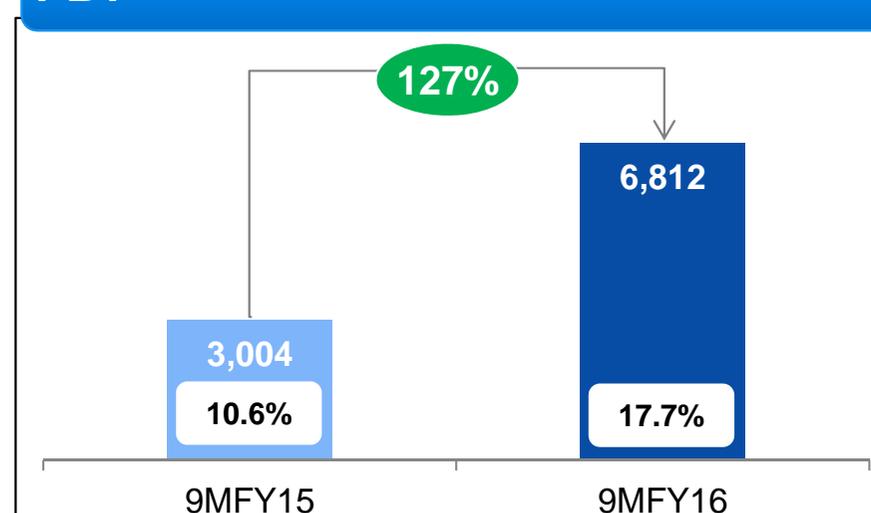
## Net sales – Geographical Split



## EBITDA



## PBT



YoY Growth%

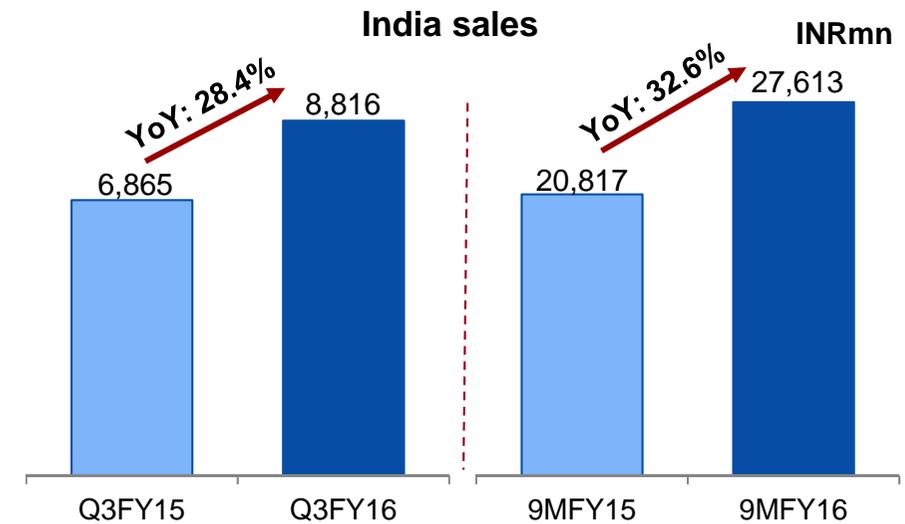
% of Net Income from Operations

# Business Highlight Q3FY16

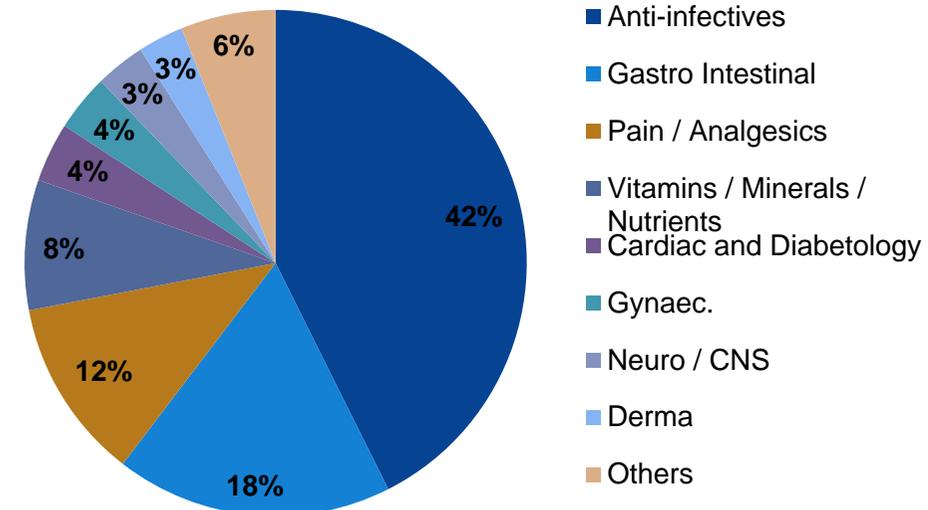


## India Business: Q3FY16 Net Sales of Rs.8,816 million (28.4% growth<sup>1</sup> YoY)

- India sales contributed 70.8% to total net sales for Q3FY16
- During the quarter, our secondary sales grew by 18.6% YoY – higher than Indian Pharmaceutical Market growth of 15.2% (Source: IMS SSA Dec'15)
- Company maintained its leadership position in established therapies of Anti-infectives, Gastro Intestinal, Pain / Analgesics and Vitamins / Minerals / Nutrients
- Improved market ranking in emerging therapies like Neuro / CNS, Cardiac and Anti-Diabetic
- 5 brands featured among top 50 and 13 among top 300 brands in India (Source: IMS SSA MAT Dec'15)



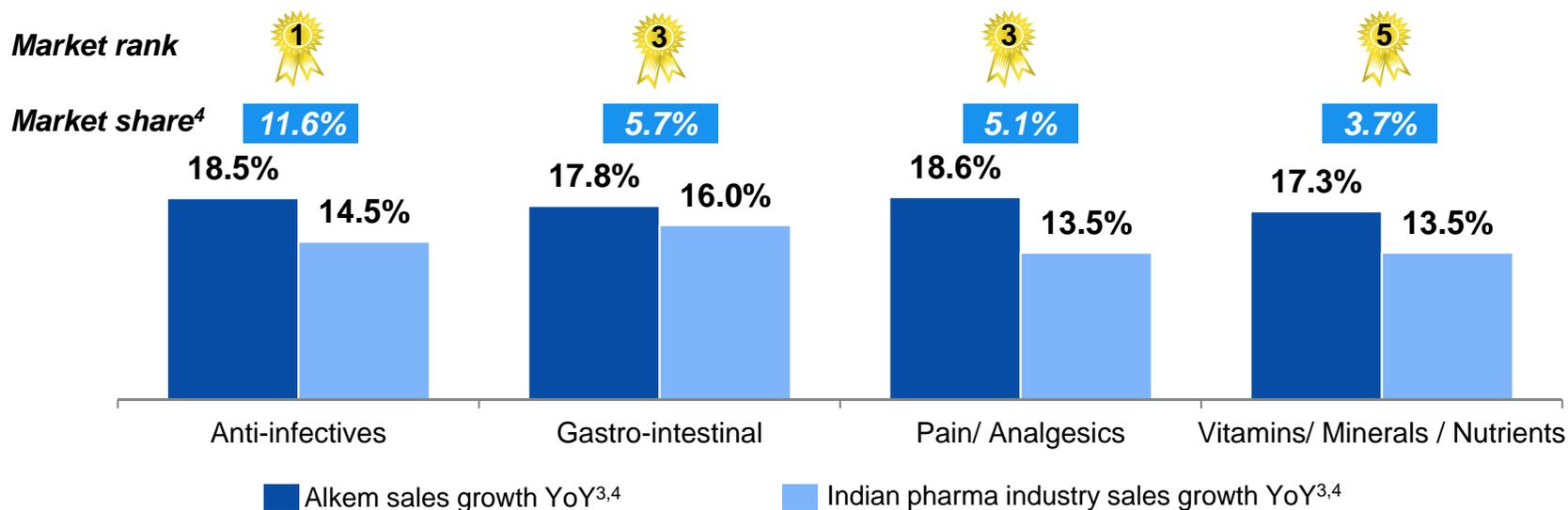
### Therapy-wise breakup<sup>2</sup>



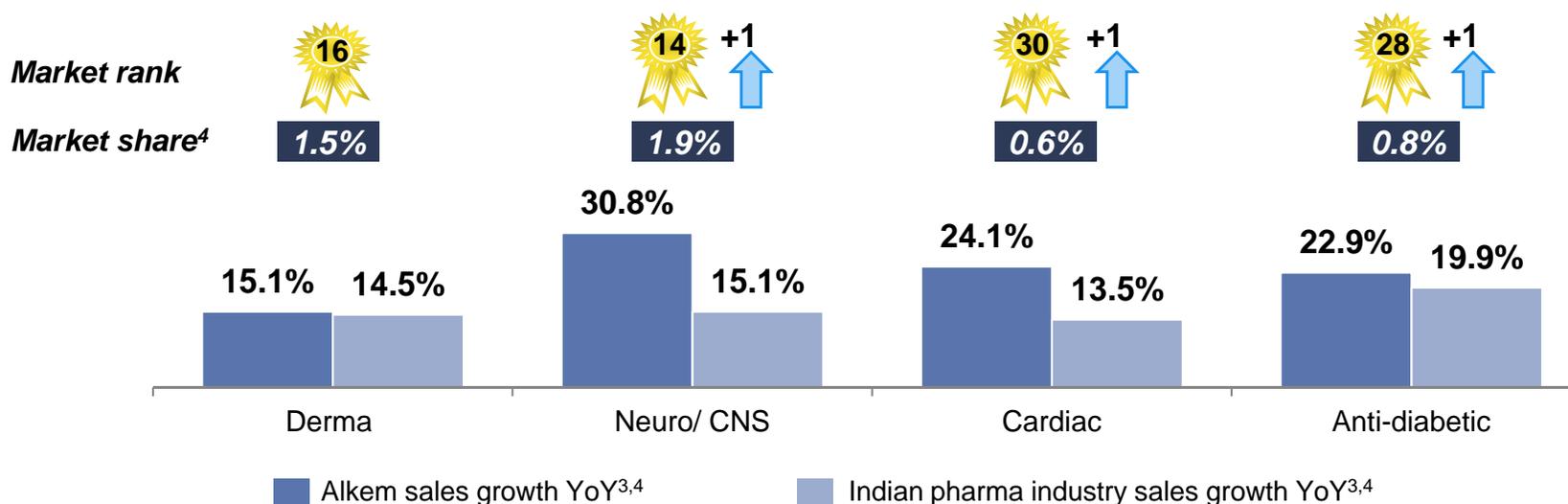
1. Growth after consolidation of Indchemie and Cachet's results in the current financial year  
 2. Source: IMS SSA MAT Dec 2015

## India Business: Therapy Performance during Q3FY16

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



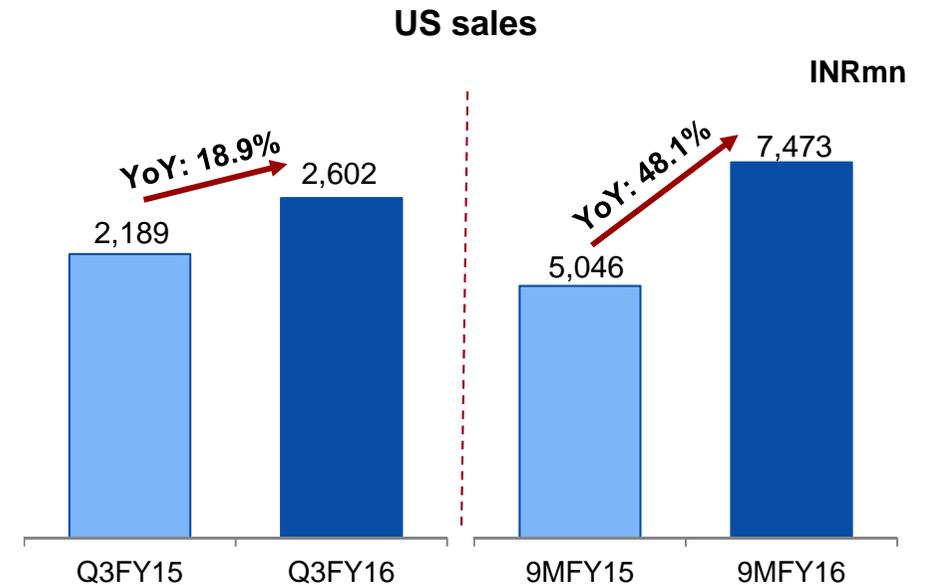
Source: IMS SSA Dec 2015<sup>3</sup> Domestic formulations sales; <sup>4</sup> For 3 months ended Dec'15

# Business Highlight Q3FY16

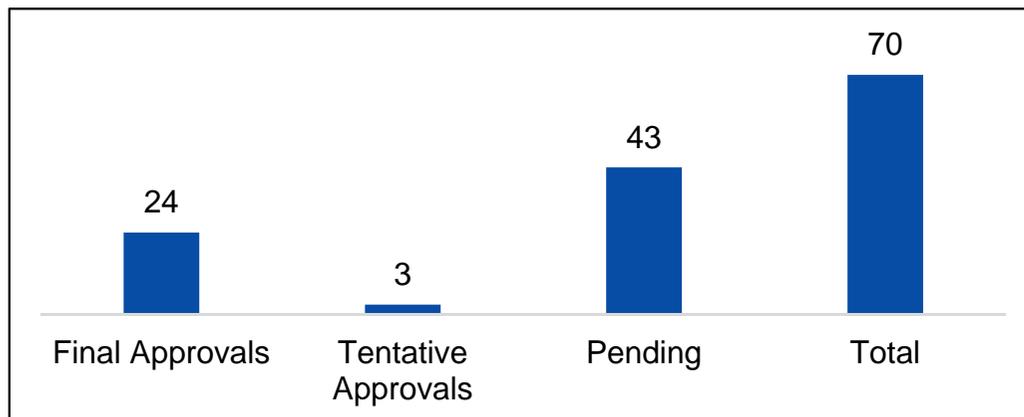


## US Business: Q3FY16 Net Sales of Rs. 2,602 million (18.9% growth YoY)

- US sales contributed 20.9% to total net sales for Q3FY16
- Filed 2 ANDAs during the quarter, taking the cumulative ANDA filings to 70 and 1 NDA (as on 31<sup>st</sup> Dec'15)
- Received 5 ANDA approvals (including 1 tentative approvals) during the quarter, taking cumulative ANDA approvals to 27 (including 3 tentative approvals) and 1 NDA (as on 31<sup>st</sup> Dec'15)



### Cumulative US filings<sup>5</sup>



U.S. Filings	# Nos.
Total ANDAs	70
ANDA - Para IV (inc. FTF)	30
DMF	18
NDA	1

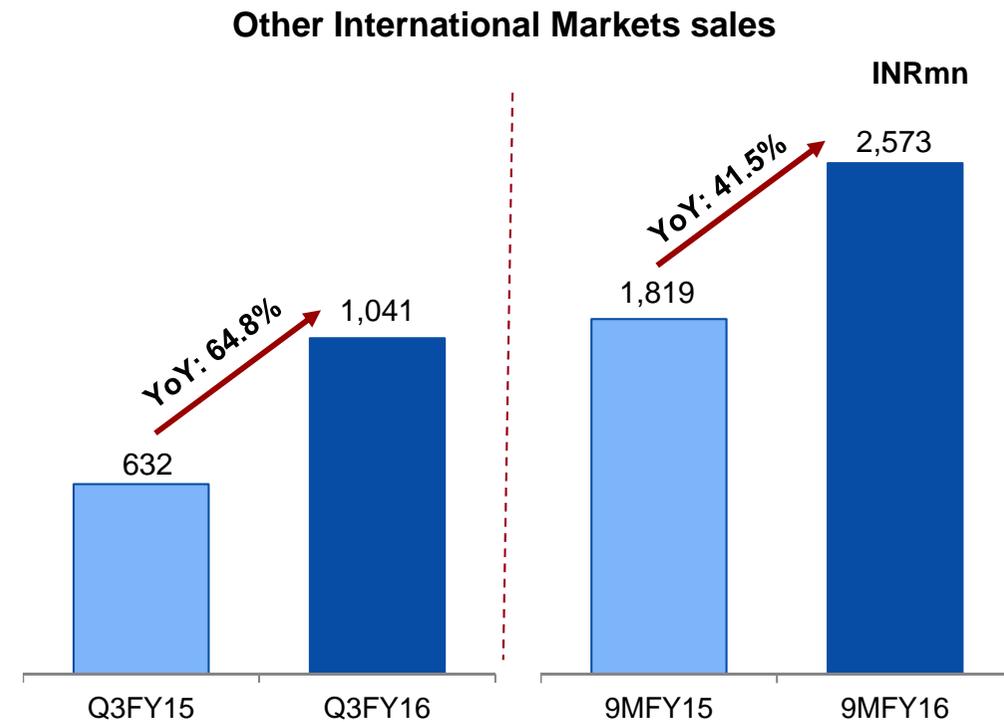
5. As on 31<sup>st</sup> Dec 2015;

# Business Highlight Q3FY16



## Other International Markets: Q3FY16 Net Sales of Rs.1,041 million (64.8% growth YoY)

- Company has presence in more than 50 international markets
- Other International sales contributed 8.4% to total net sales for Q3FY16
- Growth in the Other International Markets sales was driven by growth in key focus markets such as Australia and Chile



# 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)

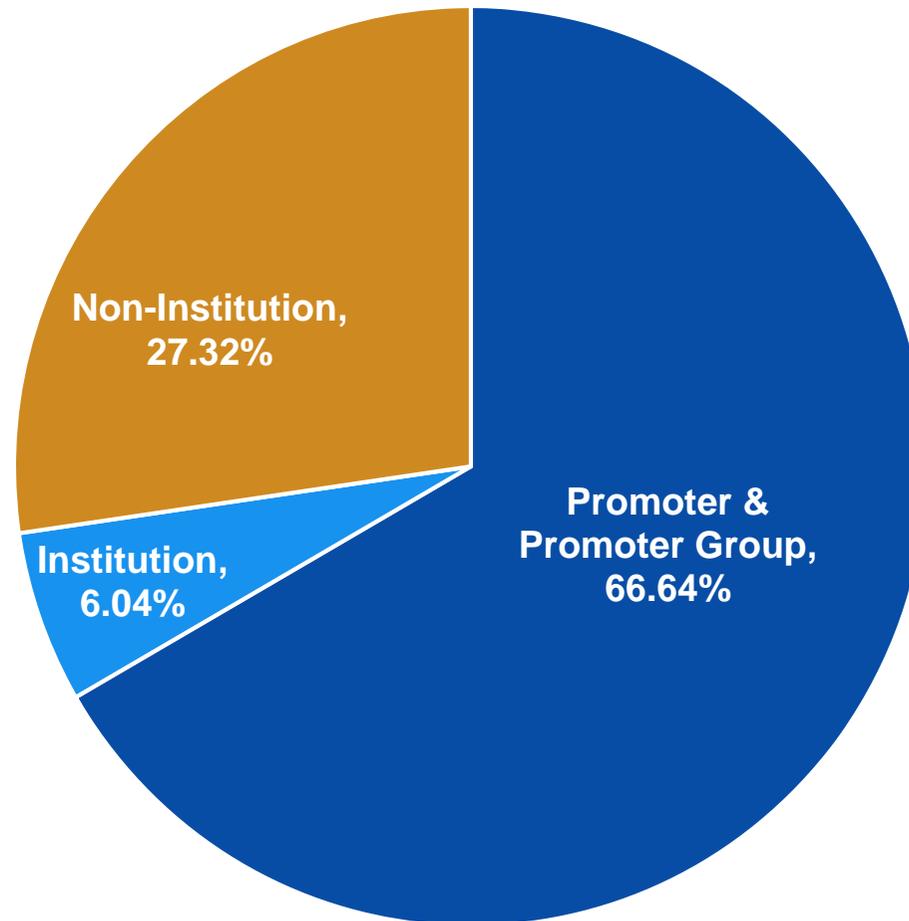


Particulars (Rs mn)	Q3FY16	Q3FY15	YoY growth	9MFY16	9MFY15	YoY growth
Net Income from Operations	12,747	9,879	29.0%	38,490	28,314	35.9%
Gross Profit	7,658	5,760	33.0%	23,157	15,321	51.1%
Gross Profit margin	60.1%	58.3%		60.2%	54.1%	
EBITDA	2,354	1,711	37.6%	6,902	2,872	140.3%
EBITDA margin	18.5%	17.3%		17.9%	10.1%	
PBT	2,270	1,679	35.2%	6,812	3,004	126.7%
PBT margin	17.8%	17.0%		17.7%	10.6%	
PAT (After Minority Interest)	1,889	1,615	17.0%	6,164	2,601	137.0%
PAT margin	14.8%	16.3%		16.0%	9.2%	
EPS	15.8	13.5	17.0%	51.6	21.8	137.0%

# Latest Shareholding Pattern



Shareholding pattern as on 31<sup>st</sup> December 2015



*Institution – Mutual Funds, Foreign Venture Capital, Foreign Portfolio Investors and Foreign Institutional Investors*

*Non-Institution – Individuals, Bodies Corporates, Clearing Members, Non Resident Indians, Hindu Undivided Family and Trusts*



**Thank You**