



ALKEM LABORATORIES LTD.
Investor Presentation Q4FY18 – May 30, 2018

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 Highlights For Q4FY18 and FY18

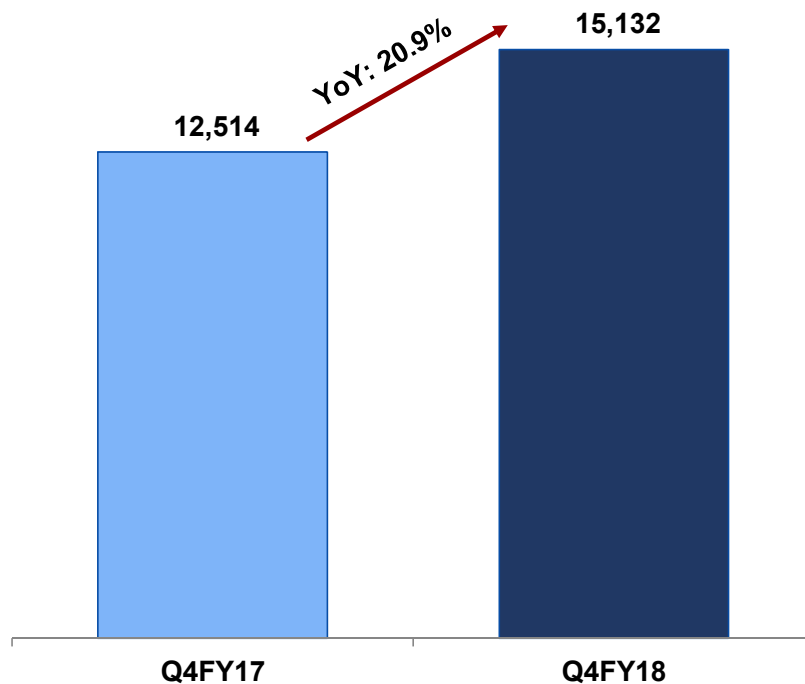
Healthy revenue growth in key markets of India and US

- **India Business – double digit underlying growth:** Adjusted for the GST impact, the India business grew in double digit for the quarter and year ended March 31, 2018. As per IMS data, the Company outperformed the India pharmaceutical market (IPM) across most of the major therapy areas
- **Healthy growth in the International Business:** Company's International Business including US and select international markets registered a healthy high teen growth for the year ended March 31, 2018
- **US Business** across crossed US\$200mn in revenues in the year ended March 31, 2018
- **Filed 19 ANDAs** with the US FDA during the year
- **Received 13 ANDA approvals from the US FDA** during the year including one tentative approval
- **US FDA inspections at Daman and St. Louis:** The Company has replied to the US FDA within the stipulated timelines with a detailed corrective and preventive action plan to address the observations

Key Financial Highlights – Q4FY18 (Consolidated)

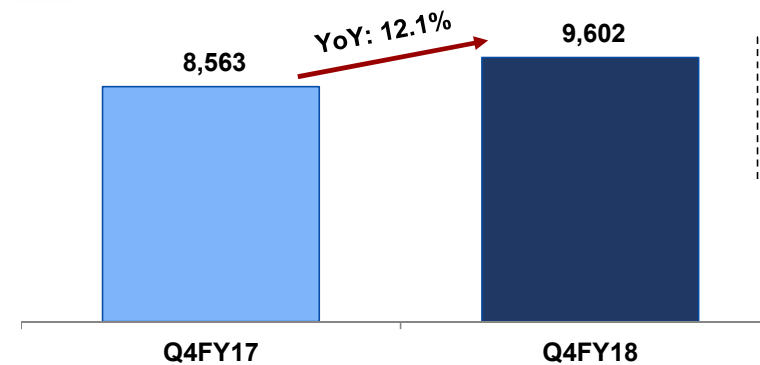
All figures in Rs mn

Total Revenue from Operations



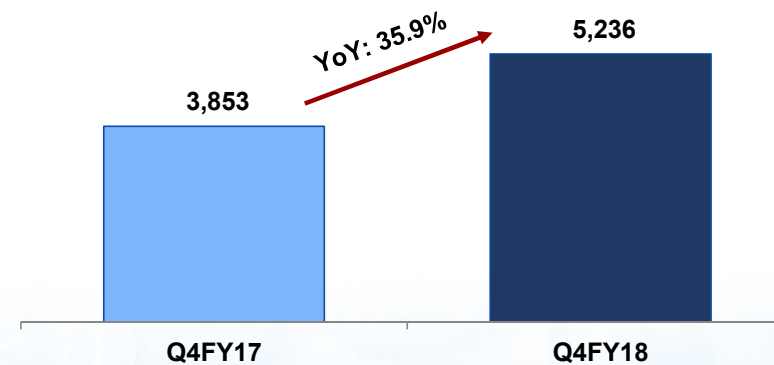
Notes: Post implementation of GST with effect from July 1, 2017 and as per Ind AS 18, Revenue from Operations is disclosed net of GST. Revenue from Operations for earlier periods includes excise duty. Accordingly, Revenue from Operations for the quarter and twelve months ended March 31, 2018 are not strictly comparable with those of previous period presented.

India sales



Adjusting for the impact of GST, YoY growth was even higher

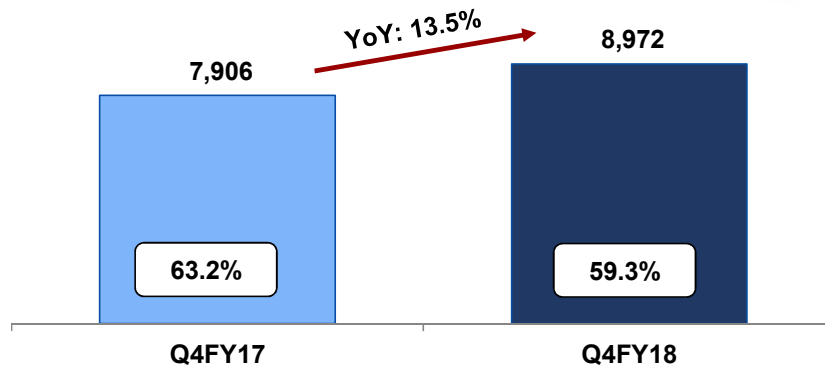
International sales



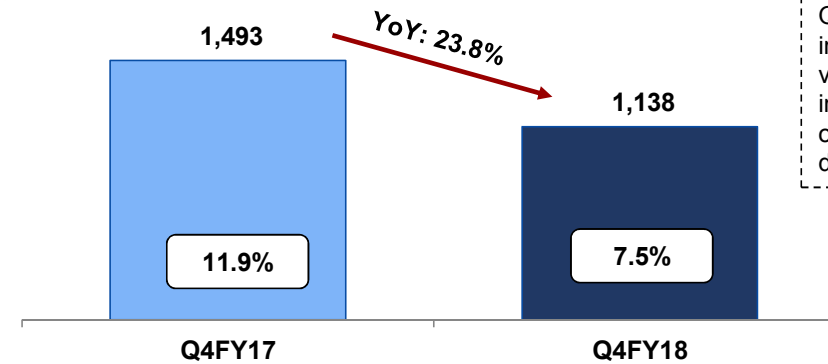
Key Financial Highlights – Q4FY18 (Consolidated)

All figures in Rs mn

Gross Profit and Gross Margin

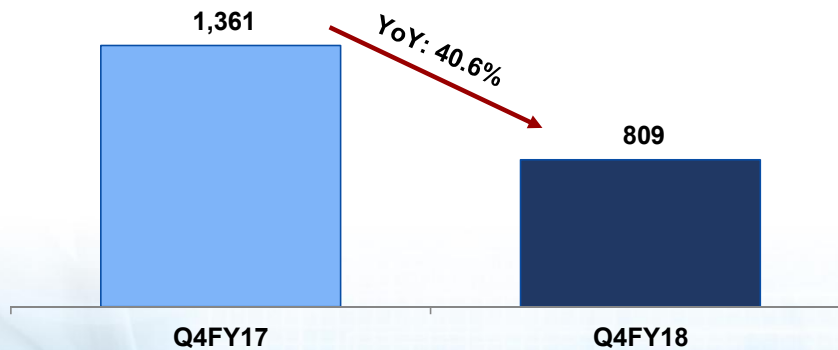


EBITDA and EBITDA Margin

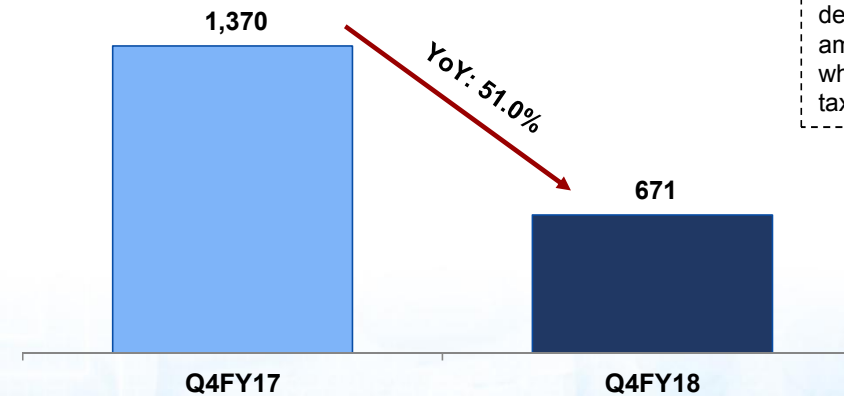


Other Expenses for Q4FY18 and FY18 includes net loss on fair valuation of current investments (Please refer our press release for details)

PBT (before Minority Interest)



PAT (after Minority Interest)



In Q4FY18, the Company utilized its previously derecognised MAT credit amount to Rs.218mn which is included under tax expenses

Key Financial Highlights – FY18 (Consolidated)

Particulars (Rs mn)	FY18	FY17	YoY growth
Revenue from Operations	64,312	58,525	9.9%
Gross Profit	39,183	36,310	7.9%
Gross Profit margin	60.9%	62.0%	
EBITDA	10,284	9,990	2.9%
EBITDA margin	16.0%	17.1%	
PBT	9,260	9,646	(4.0)%
PBT margin	14.4%	16.5%	
PAT (After Minority Interest)	6,309	8,920	(29.3)%
PAT margin	9.8%	15.2%	
EPS (Rs / share)	52.77	74.61	(29.3)%

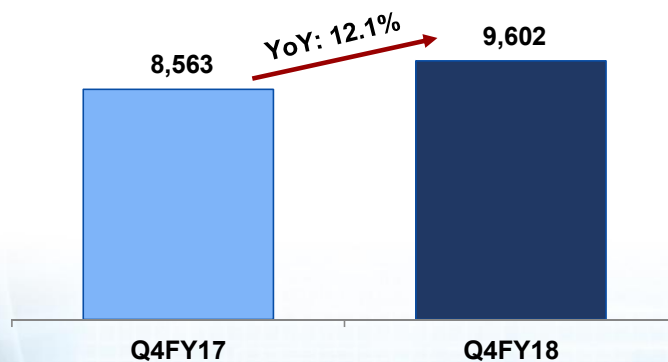
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India Business

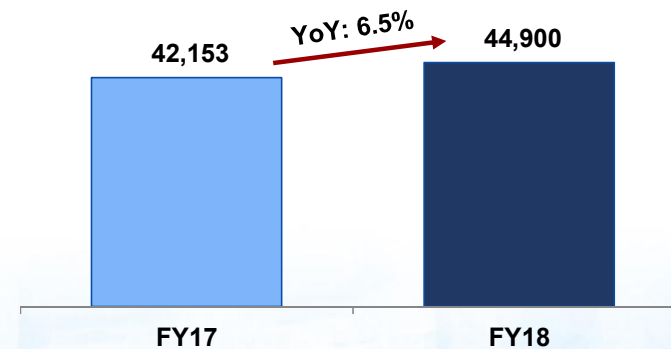
India Business: Q4FY18 Sales of Rs.9,602 million (12.1% growth YoY)

- India sales contributed 64.7% to total sales in Q4FY18
- Adjusting for the GST impact, YoY growth during the quarter and year ending March 31, 2018 was even higher
- During the quarter and year ended March 31, 2018, the Company outperformed the IPM across all the major therapy segments (Source: IMS data)
- The Company maintained its leading position in acute therapy areas of Anti-infectives, Gastro-intestinal, Pain / Analgesic and Vitamins / Minerals / Nutrients (Source: IMS data)
- The Company improved its market share and rankings in chronic therapy areas of Cardiac, Anti-diabetes and Neuro / CNS. The Company now ranks 8th (YoY improvement of 2 ranks) in the CNS / Neuro segment for Q4FY18 (Source: IMS data)

Q4FY18 – India Sales (Rs mn)



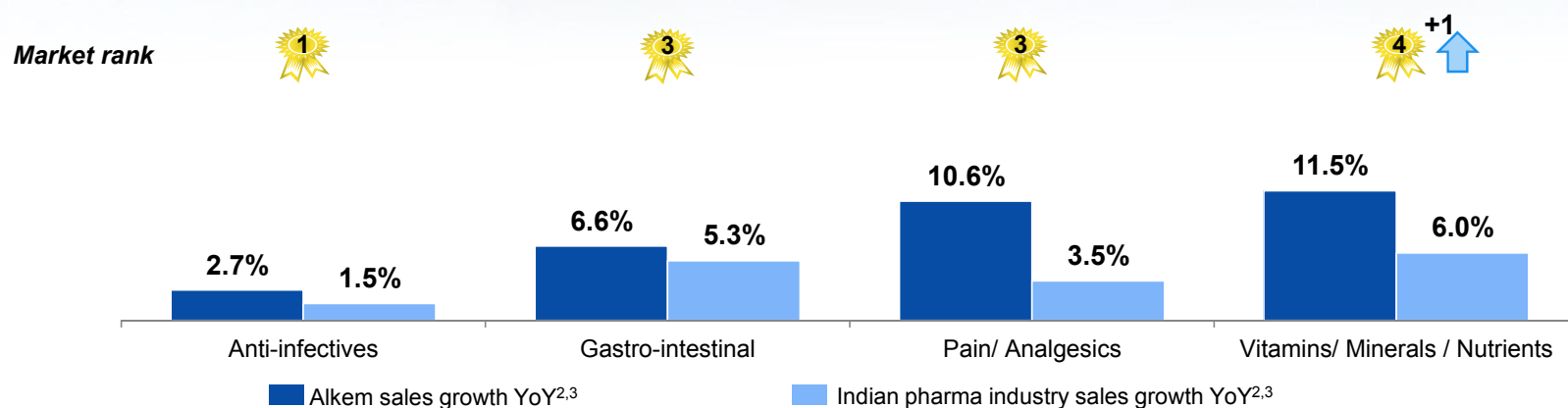
FY18 - India sales (Rs mn)



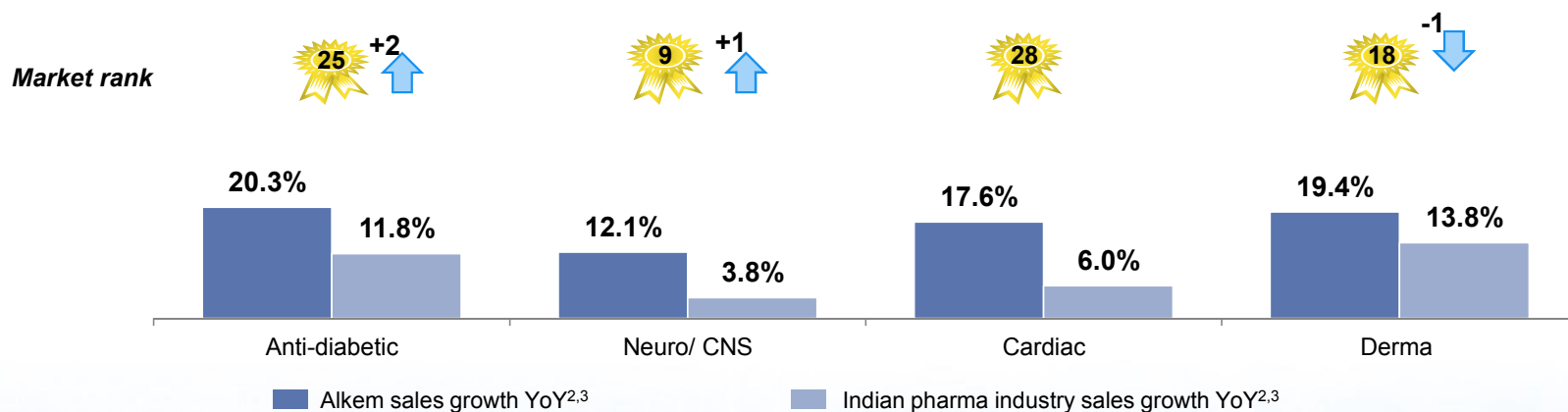
India Business – Secondary Sales Performance

Outperformance across all the major therapeutic areas in FY18

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



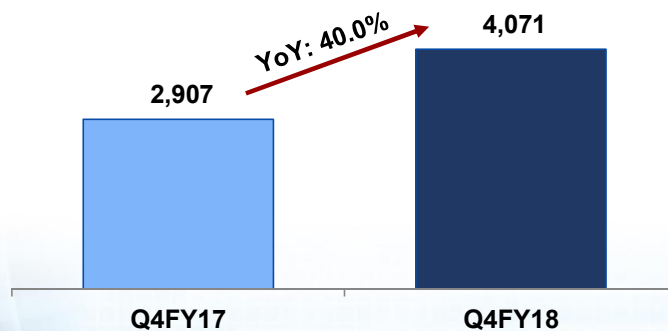
Source: IMS TSA data ² Domestic formulations sales; ³ For 12 months ended March 2018

US Business

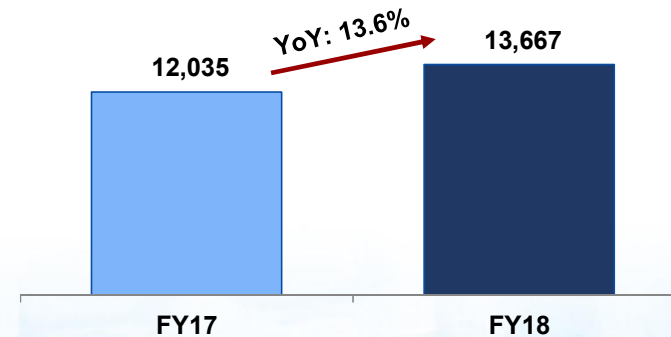
US Business: Q4FY18 Sales of Rs.4,071 million (40.0% growth YoY)

- US sales contributed 27.4% to total sales in Q4FY18
- In FY18, US revenues crossed US\$200mn
- In Q4FY18, the Company filed 11 ANDAs with the US FDA and received 1 approval
- As on March 31, 2018, the Company has filed a total of 108 ANDAs (including 1 NDA) with the US FDA and has received 50 approvals (including 6 tentative approvals and 1 NDA)
- **Status of US FDA inspection:** The Company has submitted a detailed corrective and prevention action plan to the US FDA within the stipulated timelines in response to the observations it received in Form 483 for its Daman (India) and St. Louis (US) plant

Q4FY18 – US Sales (Rs mn)



FY18 - US sales (Rs mn)

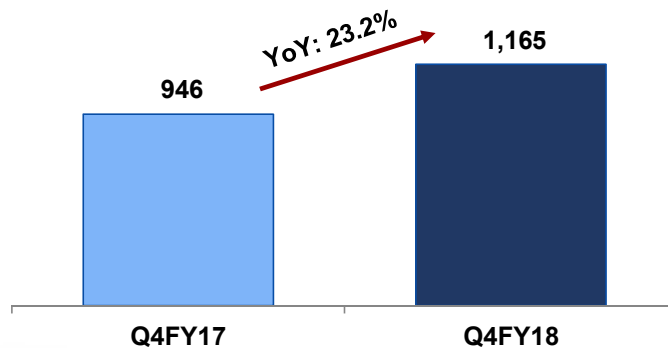


Other International Business

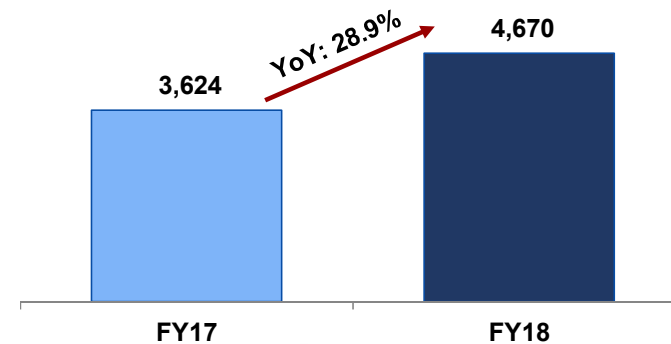
Other International Business: Q4FY18 Sales of Rs.1,165 million (23.2% growth YoY)

- Other International Market sales contributed 7.9% to total sales in Q4FY18
- Company's key markets including Australia, Philippines, Chile and Kazakhstan recorded healthy growth for the quarter and year ending March 31, 2018

Q4FY18 – Other International Sales (Rs mn)

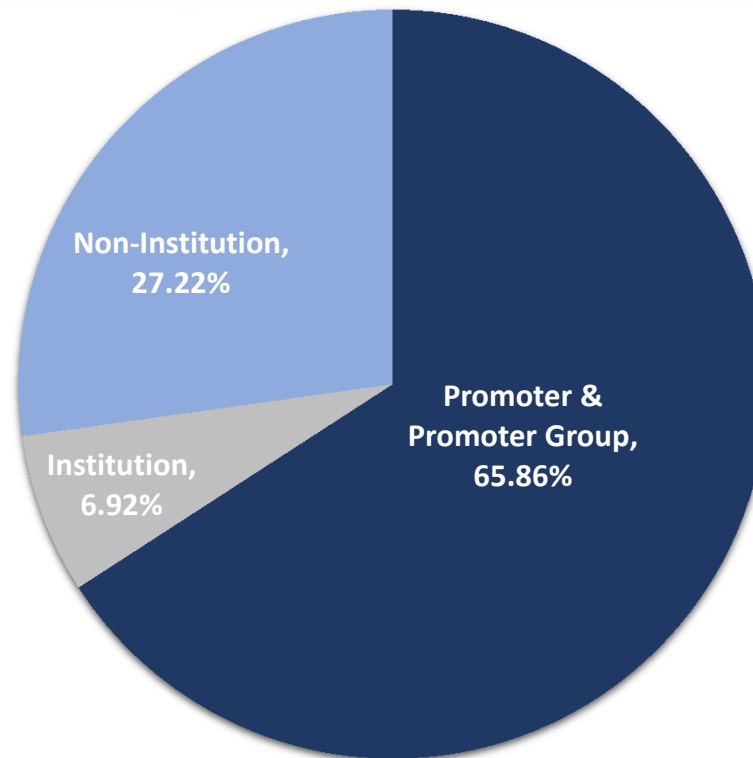


FY18 – Other International Sales (Rs mn)



Latest Shareholding Pattern

Shareholding pattern as on March 31, 2018



Institution – Mutual Funds, Alternate Investment Funds, Foreign Portfolio Investors, Financial Institutions / Banks

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



Thank You