



ALKEM LABORATORIES LIMITED

ALKEM

अल्केम

Investor Presentation Q1FY22
August 6, 2021



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 of Q1FY22

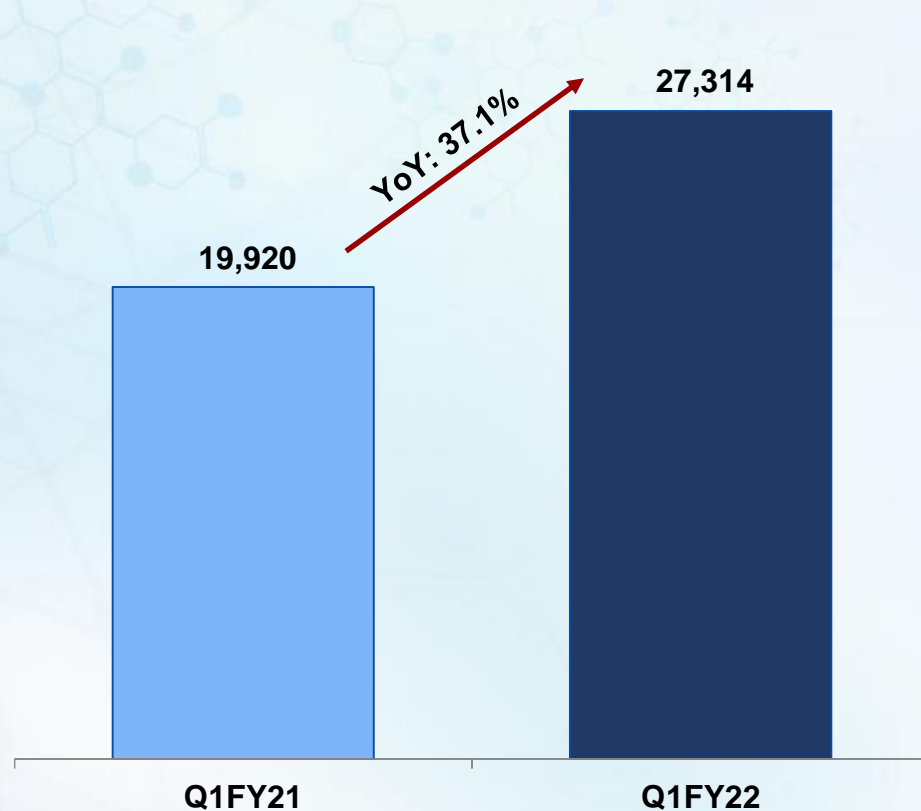
Good start to the financial year with strong growth in the India Business

- **Revenue from Operations** grew by 37.1% YoY during the quarter, with EBITDA margin of 21.7% and Net Profit growth of 10.9% YoY
- **India Business:** Company's secondary sales registered growth of 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
 - Strong volume led growth in the acute therapies
 - Faster than market growth in chronic therapies
 - Trade Generic business continues to deliver robust growth
- **US Business** posted sequential growth of 11.2% YoY compared to Q4FY21
- **R&D** expenses in the quarter was ₹ 1.2 billion at 4.3% of revenue from operations
 - The Company filed 2 ANDAs with the US FDA and received 5 final approvals in Q1FY22
- **Enzene Biosciences** – Recently received marketing authorization for 2 new products in India, taking total product approvals to three
- **Healthy Balance Sheet** with net cash of ₹ 9.8 billion as on June 30, 2021

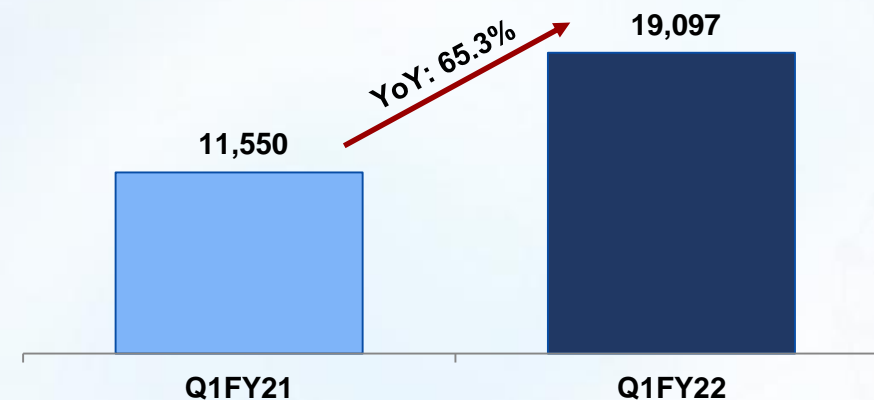
Key Financial Highlights – Q1FY22 (Consolidated)

All figures in ₹ mn

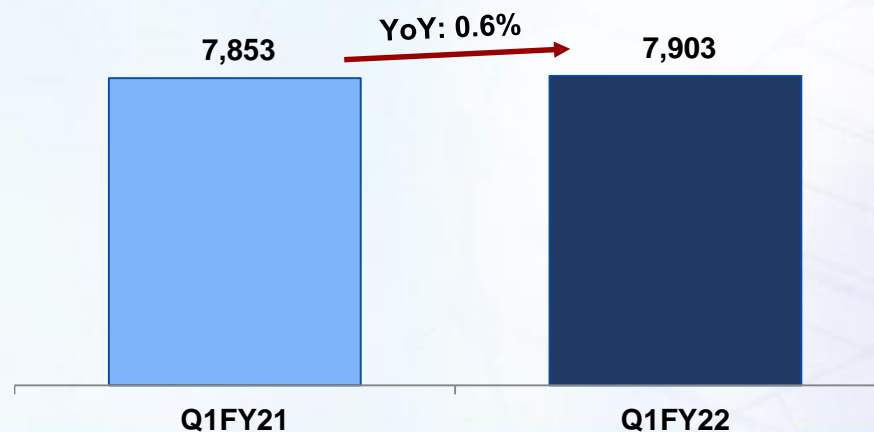
Revenue from Operations



India sales



International sales

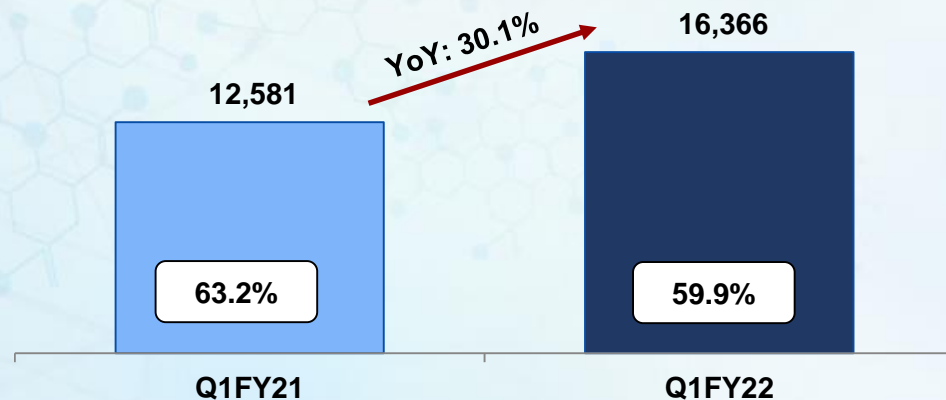


Key Financial Highlights – Q1FY22 (Consolidated)

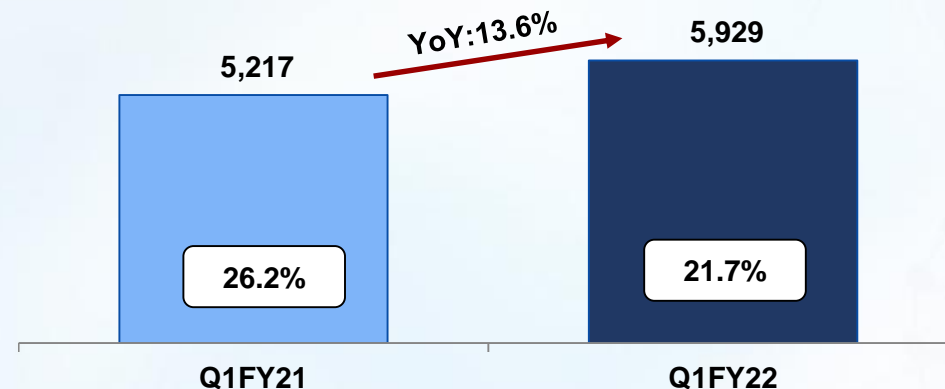


All figures in ₹ mn

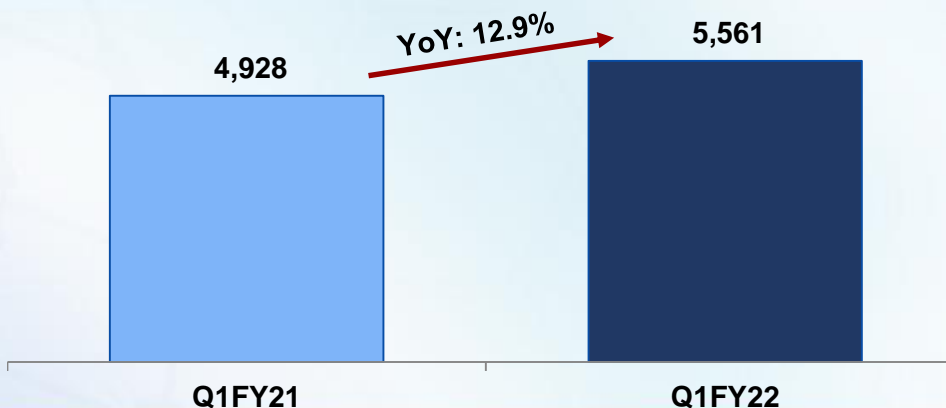
Gross Profit and Gross Margin



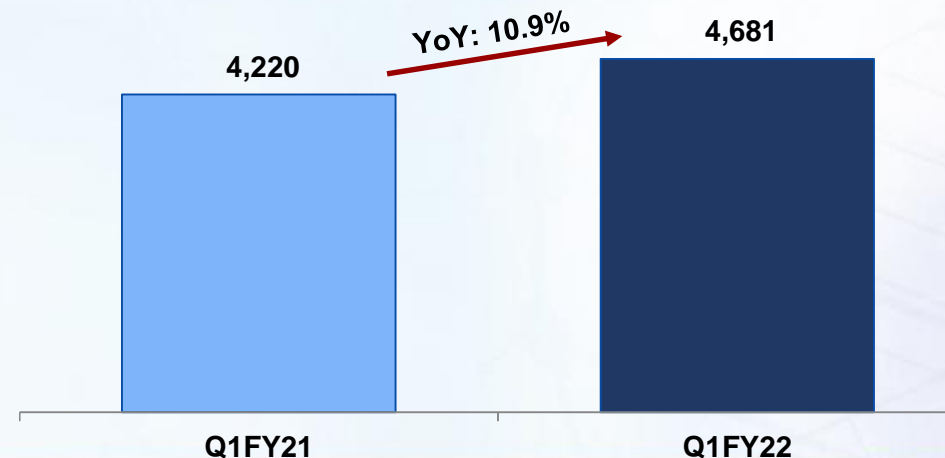
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)

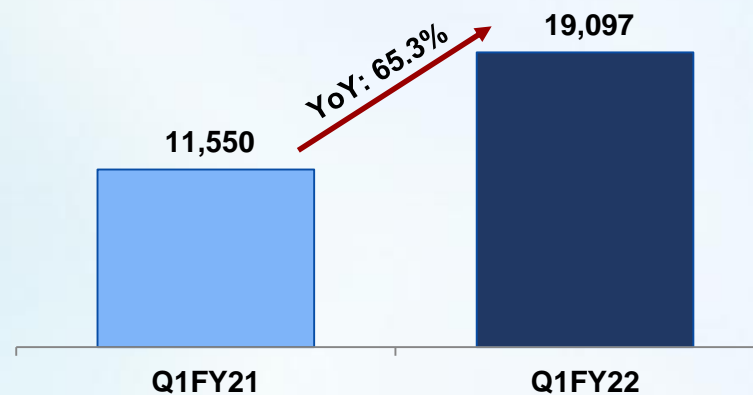


India Business

India Business: Q1FY22 Sales of ₹ 19,097 million (65.3% YoY growth)

- India sales contributed 70.7% to total sales in Q1FY22
- In Q1FY22, the Company's secondary sales grew by 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment
- The Company also outperformed in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma during the quarter
- Company's Trade Generic business delivered a robust growth during the quarter

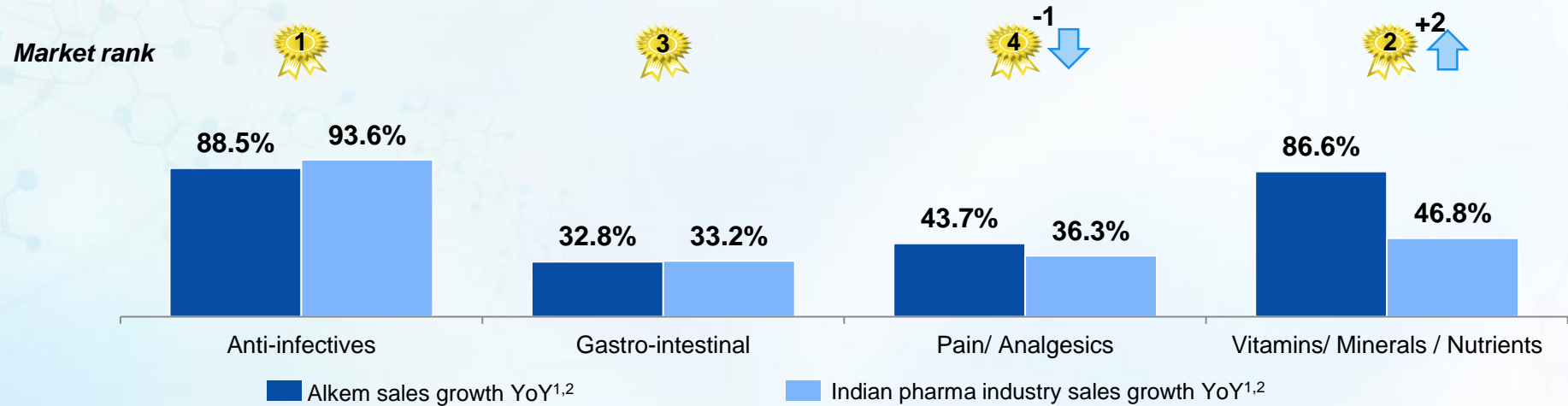
Q1FY22 – India Sales (₹ mn)



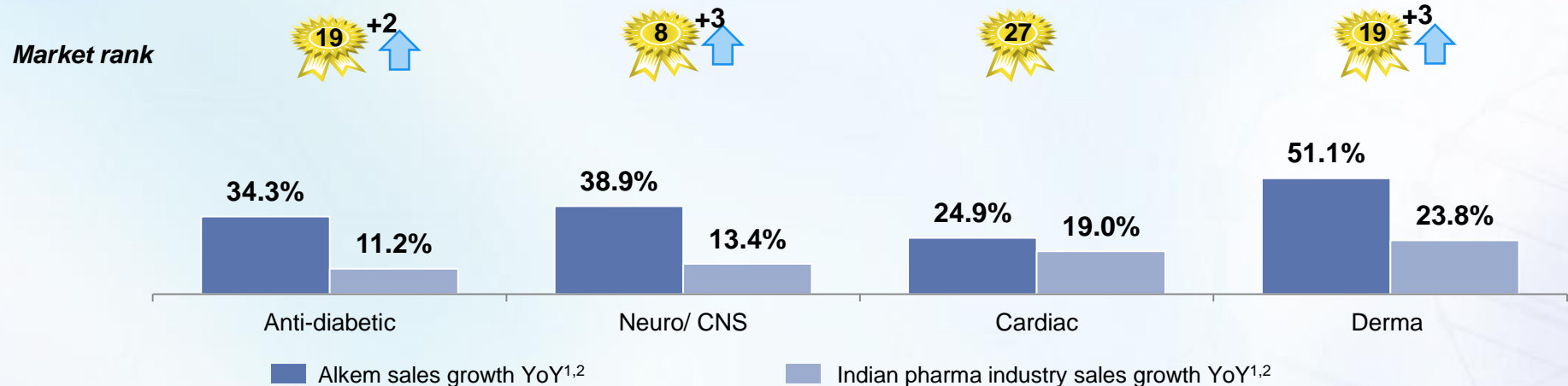
Secondary Sales Performance

Robust growth across all the major therapeutic segments in Q1FY22

Acute Therapies



Chronic Therapies

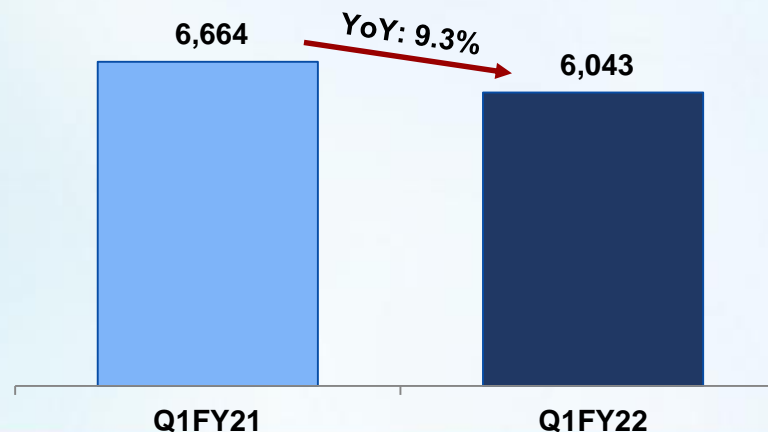


US Business

US Business: Q1FY22 Sales of ₹ 6,043 million (YoY decline of 9.3%)

- US sales contributed 22.4% to total sales in Q1FY22
- During the quarter, the US business registered sequential growth of 11.2% over Q4FY21
- In Q1FY22, the Company filed 2 ANDAs with the US FDA and received 5 final approvals
- As on June 30, 2021, the Company has filed a total of 154 ANDAs (including 2 NDAs) with the US FDA and has received 114 approvals (including 15 tentative approvals and 2 NDAs)

Q1FY22 – US Sales (₹ mn)



US Business

Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
St. Louis (US)	Formulations	June 2021	Received 2 observations. Already sent a detail response to the US FDA on the corrective and preventive actions being taken
Baddi (India)	Formulations	February 2020	EIR# received in March 2020
Daman (India)	Formulations	August 2019	EIR# received in October 2019
California (US)	APIs	August 2018	EIR# received in October 2018
Ankleshwar (India)	APIs	December 2016	EIR# received in March 2017
Mandva (India)	APIs	September 2015	EIR# received in March 2016

EIR – Establishment Inspection Report indicating successful closure of inspection

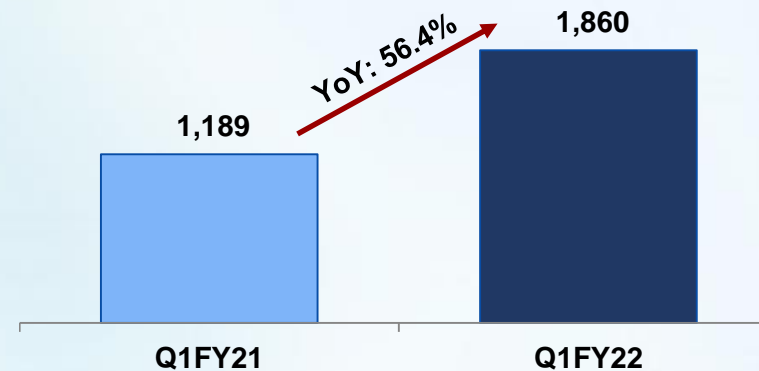
The US FDA had also conducted a remote and virtual Bio-Analytical inspection of the Company's Bioequivalence Center located at Taloja, Maharashtra from 26th to 28th July, 2021. At the end of the inspection, no Form 483 was issued.

Other International Business

Other International Business: Q1FY22 Sales of ₹ 1,860 million (56.4% YoY growth)

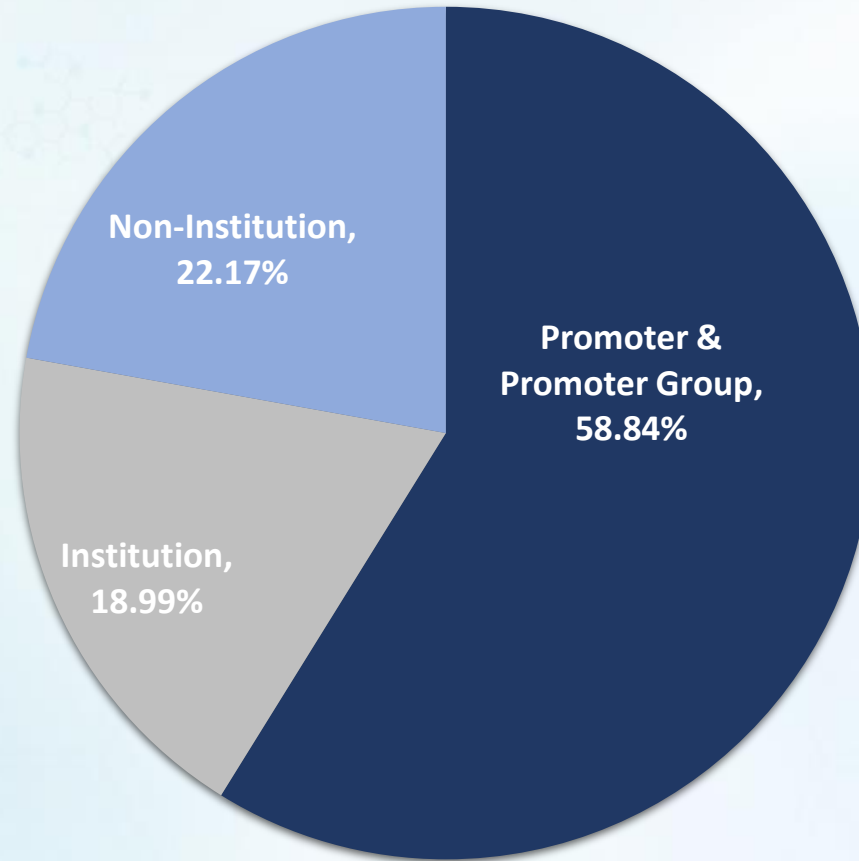
- Other International Market sales contributed 6.9% to total sales in Q1FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines, Kazakhstan and UK registered healthy growth during the quarter

**Q1FY22 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on June 30, 2021



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

For further information or queries, please contact

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