

# Alkem Laboratories Ltd.

Investor Presentation Q1FY23  
August 5, 2022



# 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 Q1FY23

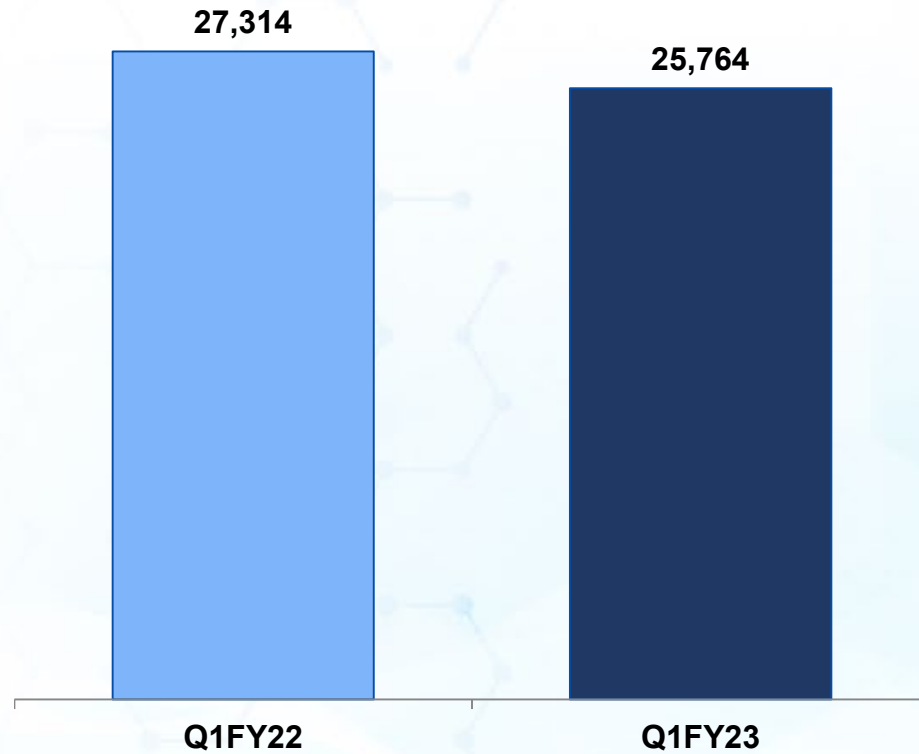


- **Revenue from Operations** declined by 5.7% YoY during the quarter, with EBITDA margin of 7.9% and Net Profit decline of 72.7% YoY
- **India Business:** Company's secondary sales remained flat compared to IPM decline of 1.8% YoY (Source: IQVIA data)
  - Market beating performance in domestic business
  - Faster than market growth and encouraging response in recently launched Pulmocare division
- **US Business** posted sequential growth of 2.7% QoQ compared to Q4FY22
- **Non US Business** posted sequential growth of 2.4% QoQ compared to Q4FY22 and 9.6% YoY compared to Q1FY22
- **R&D expenses** in the quarter was ₹ 1.3 billion at 5.1 % of revenue from operations
  - The Company filed 3 ANDAs with the US FDA and received 4 approvals (including 1 tentative approval) in Q1FY23
- **Enzene Biosciences** - Encouraging response from 3 products launched in Indian market.
- **Healthy Balance Sheet** with net cash of ₹ 9.5 billion as on June 30, 2022

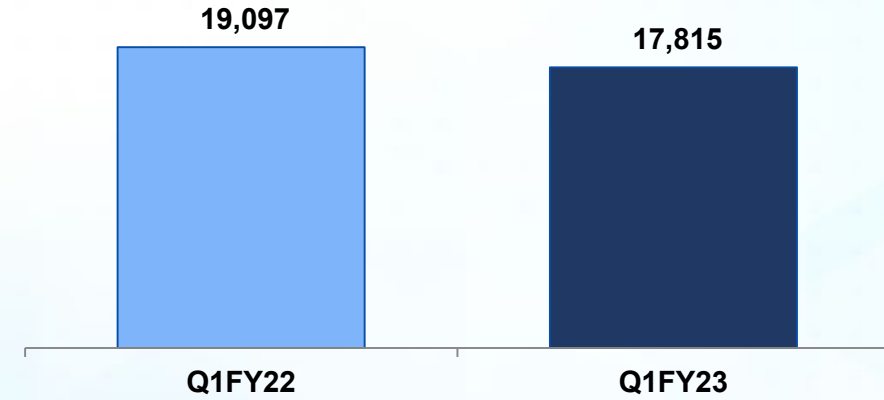
# Key Financial Highlights – Q1FY23 (Consolidated)

All figures in ₹ mn

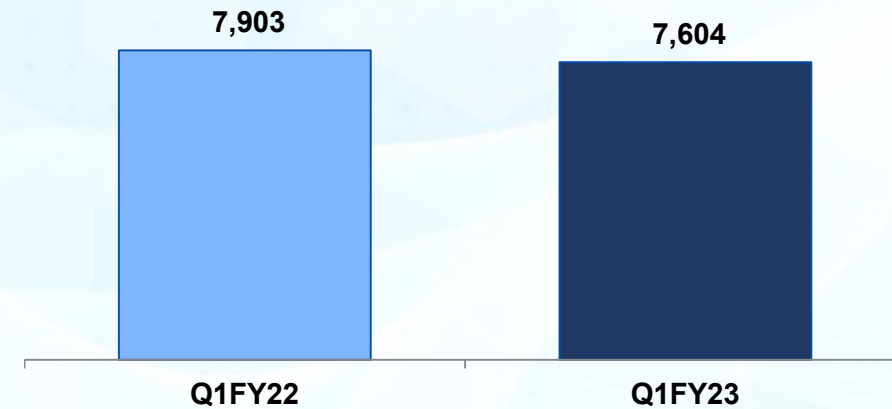
## Revenue from Operations



## India sales



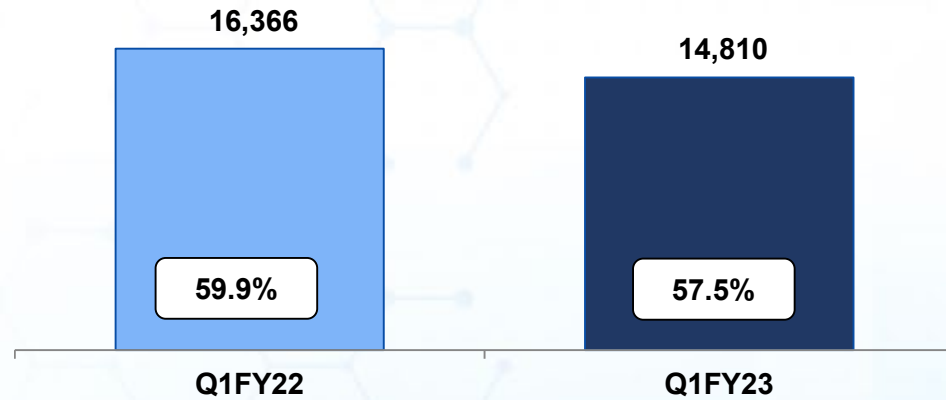
## International sales



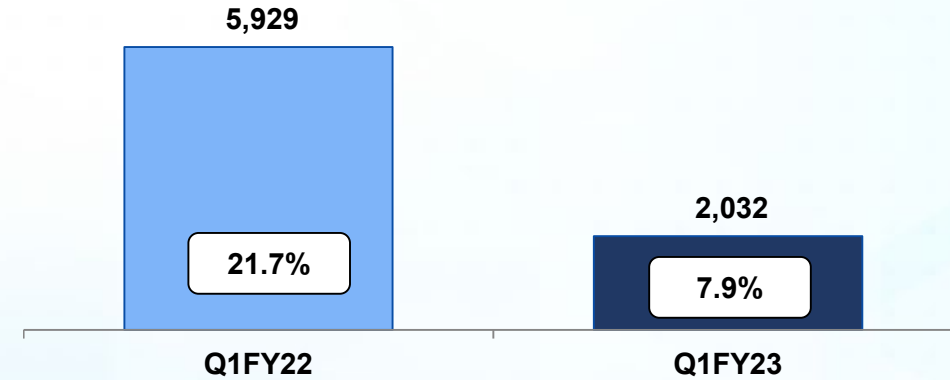
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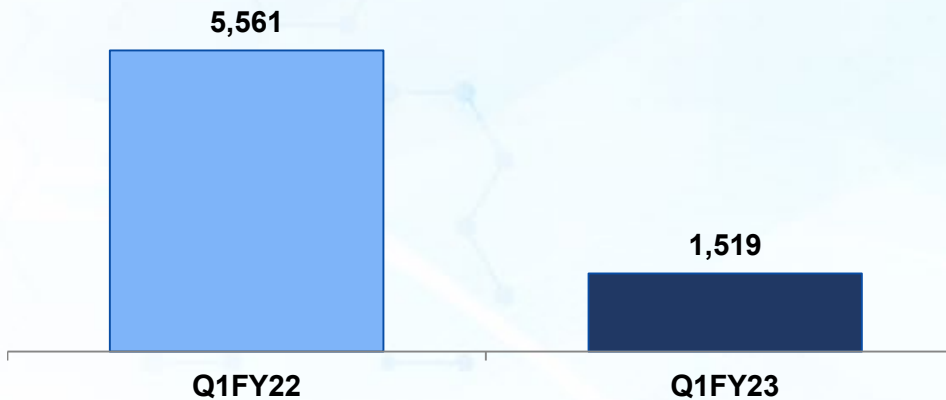
## Gross Profit and Gross Margin



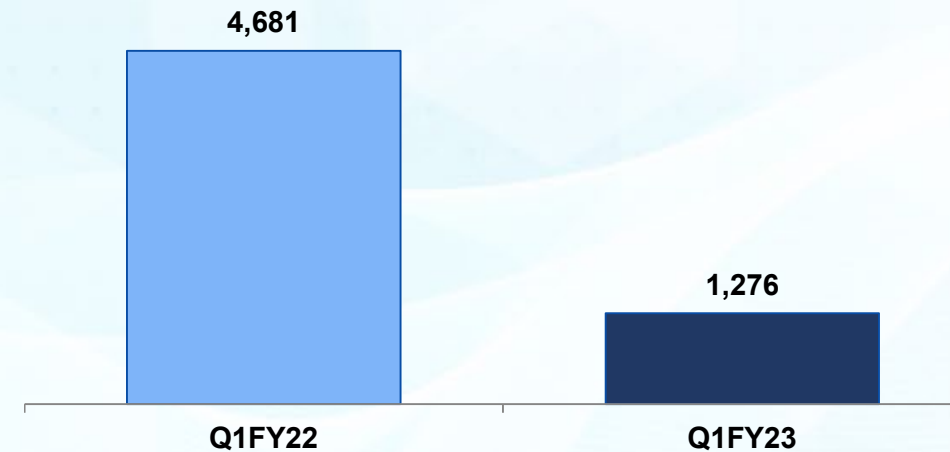
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)

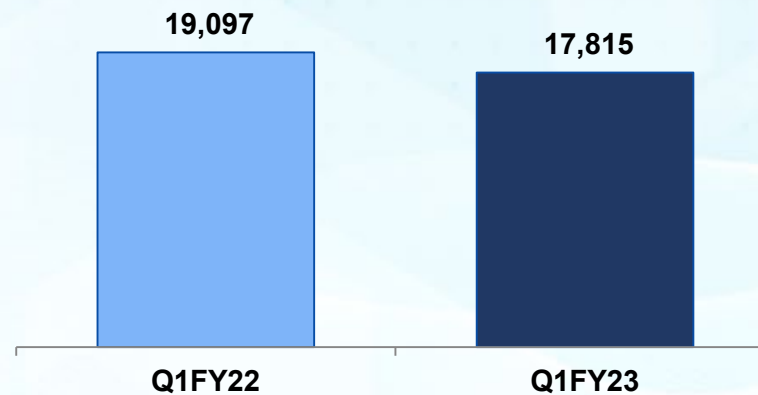


# India Business

## India Business: Q1FY23 Sales of ₹ 17,815 million (6.7% YoY decline)

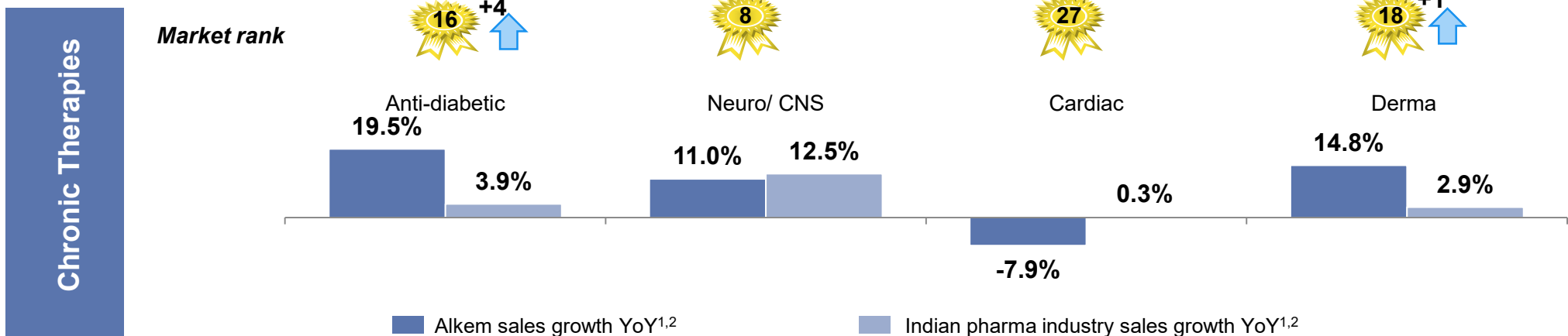
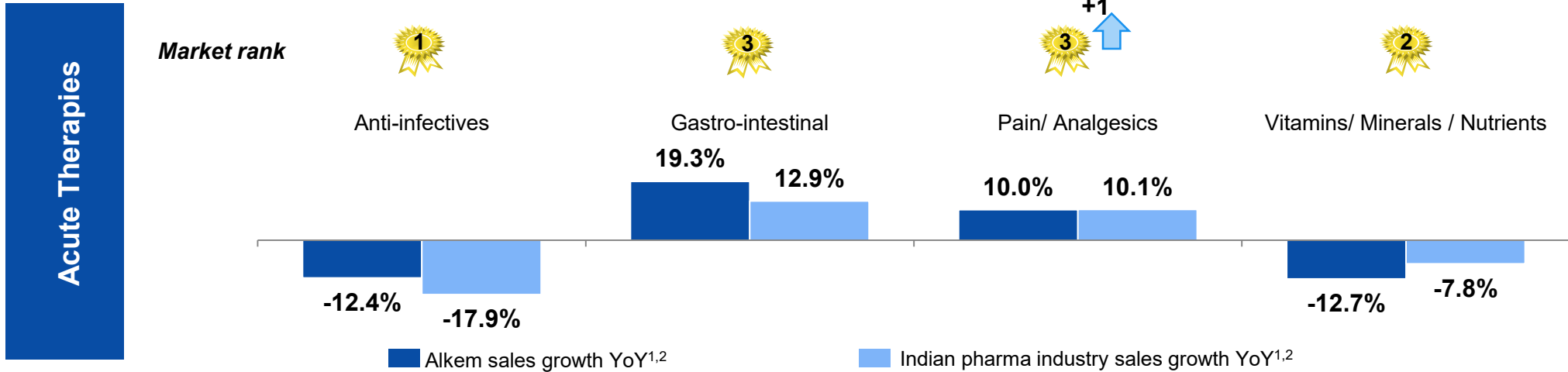
- India sales contributed 70.1% to total sales in Q1FY23
- In Q1FY23, the Company's secondary sales remained flat compared to IPM decline of 1.8% YoY (Source: IQVIA data)
- Outperformance was mainly led by acute therapies like anti-infectives and gastrointestinal
- The Company also outperformed in the chronic therapies like anti-diabetes, respiratory and derma during the quarter
- Company's Trade Generic continues to play an important role in growth of the company

Q1FY23 – India Sales (₹ mn)



# Secondary Sales Performance

## Market beating performance across major therapeutic segments in Q1FY23

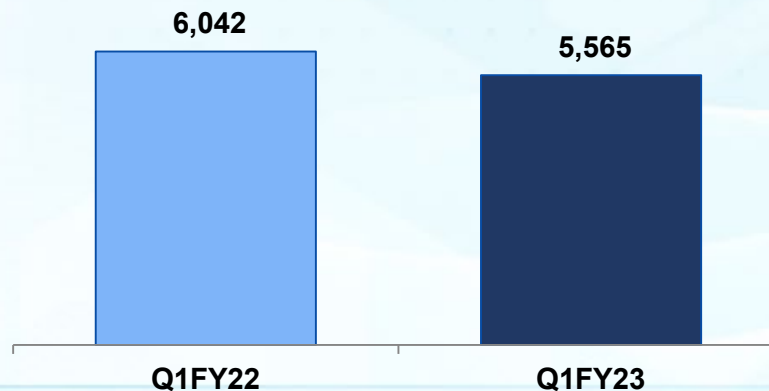


Source: IQVIA data <sup>1</sup> Domestic formulations sales; <sup>2</sup> For 3 months ended June 30, 2022

## US Business: Q1FY23 Sales of ₹ 5,565 million (YoY decline of 7.9%)

- US sales contributed 21.9% to total sales in Q1FY23
- During the quarter, the US business registered sequential growth of 2.7% over Q4FY22
- In Q1FY23, the Company filed 3 ANDAs with the US FDA and received 4 approvals (including 1 tentative approval)
- As on June 30, 2022, the Company filed a total of 164 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 124 ANDAs (including 13 tentative approvals) and 2 NDAs.

Q1FY23 – US Sales (₹ mn)





# US Business



## Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
<b>Indore</b>	Formulations	July 2022	Received 1 observation. The Company has already submitted a detailed response to the US FDA on the corrective and preventive actions it is taking to address them.
<b>St. Louis (US)</b>	Formulations	June 2022	Received 3 observations. The Company has already submitted a detailed response to the US FDA on the corrective and preventive actions it is taking to address them.
<b>Taloja (India)</b>	Bioequivalence Centre	April 2022	Successfully closed inspection without any observations
<b>Baddi (India)</b>	Formulations	February 2020	Inspection is closed. EIR# received in March 2020
<b>Daman (India)</b>	Formulations	August 2019	Inspection is closed. EIR# received in October 2019
<b>California (US)</b>	APIs	August 2018	Inspection is closed. EIR# received in October 2018
<b>Ankleshwar (India)</b>	APIs	December 2016	Inspection is closed. EIR# received in March 2017
<b>Mandva (India)</b>	APIs	September 2015	Inspection is closed. EIR# received in March 2016

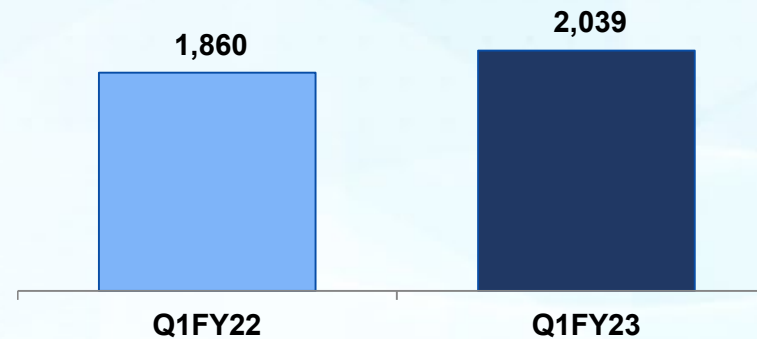
# EIR – Establishment Inspection Report

# Other International Business

## Other International Business: Q1FY23 Sales of ₹ 2,039 million (9.6% YoY growth)

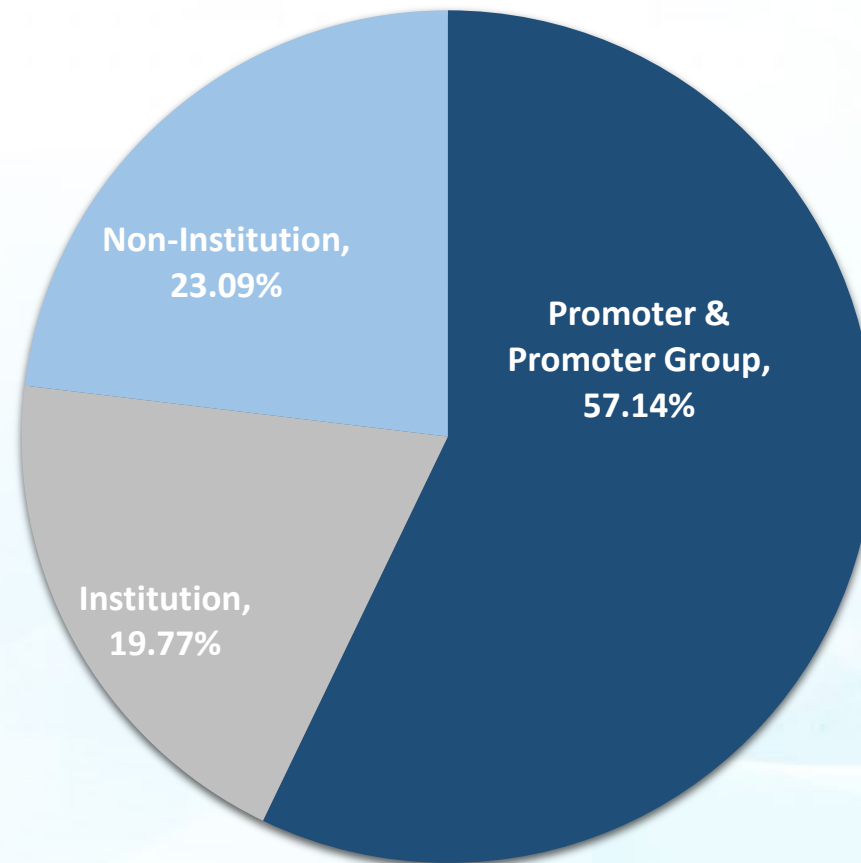
- Other International Market sales contributed 8.0% to total sales in Q1FY23
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Philippines and Kazakhstan registered healthy growth during Q1FY23.

**Q1FY23 – Other International Sales  
(₹ mn)**



# Latest Shareholding Pattern

Shareholding pattern as on June 30, 2022



*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**

**Amit Kumar Khandelia**

AVP Finance

Tel: +91 22 3982 9999

E-mail: [amit.khandelia@alkem.com](mailto:amit.khandelia@alkem.com)