

Alkem Laboratories Ltd.

Investor Presentation Q1FY24
August 10, 2023



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 Q1FY24

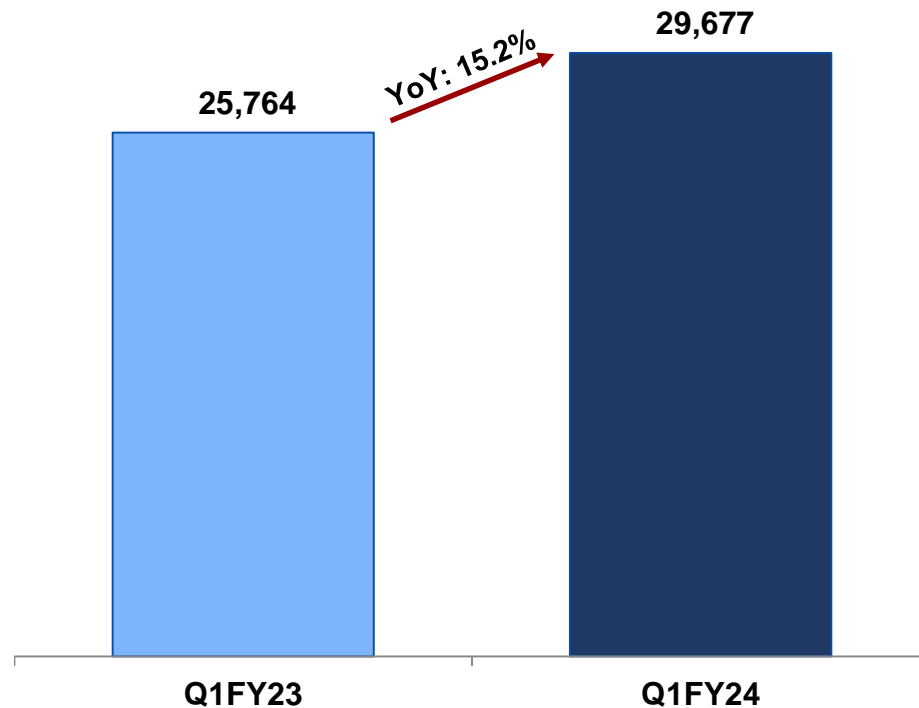


- **Revenue from Operation** grew by 15.2% YoY during the quarter, with EBITDA margin of 13.1% and Net Profit margin of 9.7%
- **India Business:** As per IQVIA, Company's sales in Q1FY24 registered growth of 7.6% compared to IPM growth of 8.5%
 - During the quarter, the company launched ophthalmic division to build its presence in ophthalmology therapy.
 - Slower than Industry average growth due to delayed monsoon in eastern part of the country.
 - Chronic therapies continues to grow faster than the market. Gained one rank in anti-diabetic and Neuro/CNS therapy.
- **US Business** saw good growth of 25.0% YoY compared to Q1FY23 and QoQ growth of 17.5% compared to Q4FY23.
- **Non US Business** saw very strong growth of 56.5% YoY compared to Q1FY23 and QoQ growth of 20.3% compared to Q4FY23.
- **R&D expenses** for the quarter was ₹1.2 billion at 4.1% of revenue from operations
 - The company filed 1 ANDA with the USFDA and received 7 approvals (including 1 tentative approval) during the quarter.
- **Enzene Bio-sciences**
 - Launched Cetuximab which is world's 1st Biosimilar used for treatment of head and neck cancer.
 - With 2 more launches in this quarter, Enzene now has a healthy basket of 6 products in India.
- **Healthy balance sheet with net cash of ₹24.3 billion** as on June 30, 2023.

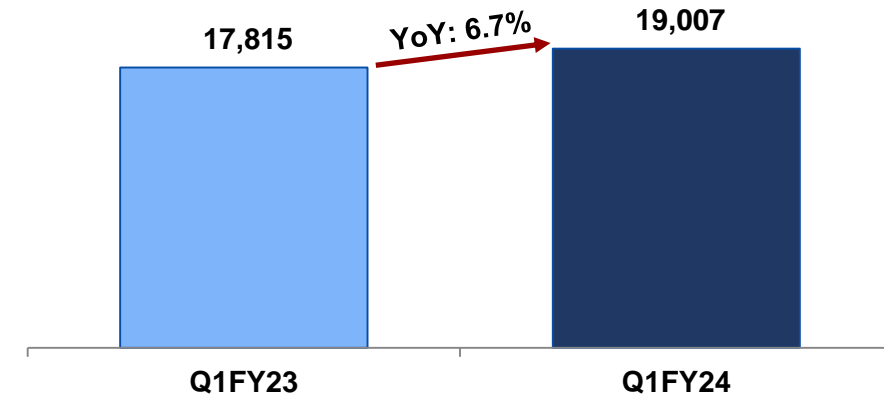
Key Financial Highlights – Q1FY24 (Consolidated)

All figures in ₹ mn

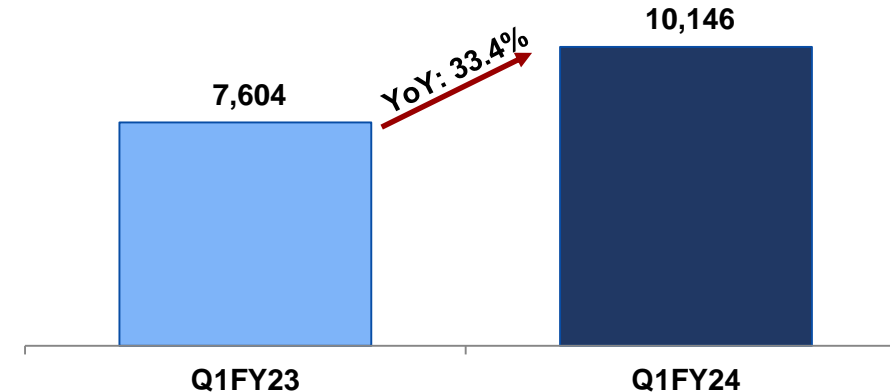
Revenue from Operations



India sales



International sales

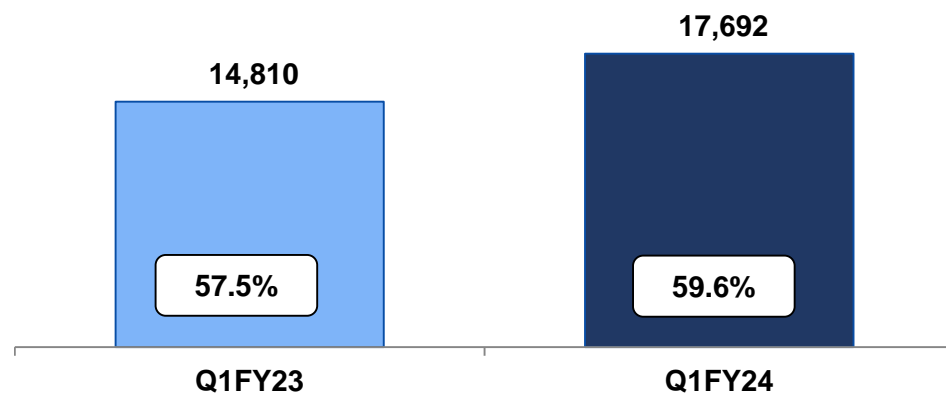


Key Financial Highlights – Q1FY24 (Consolidated)

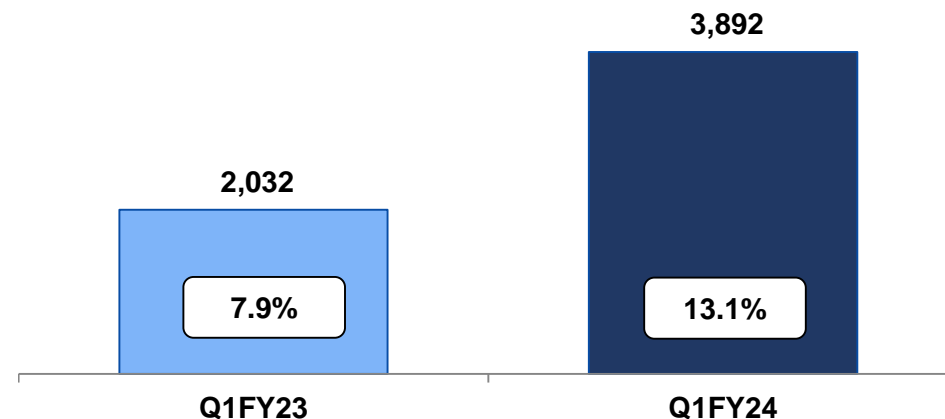


All figures in ₹ mn

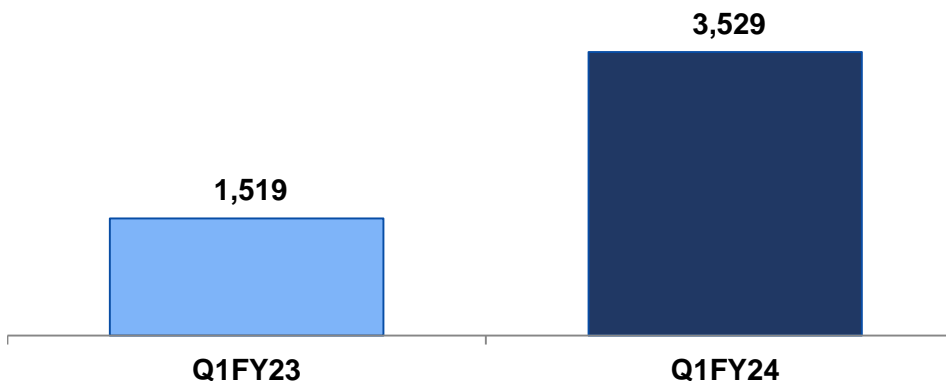
Gross Profit and Gross Margin



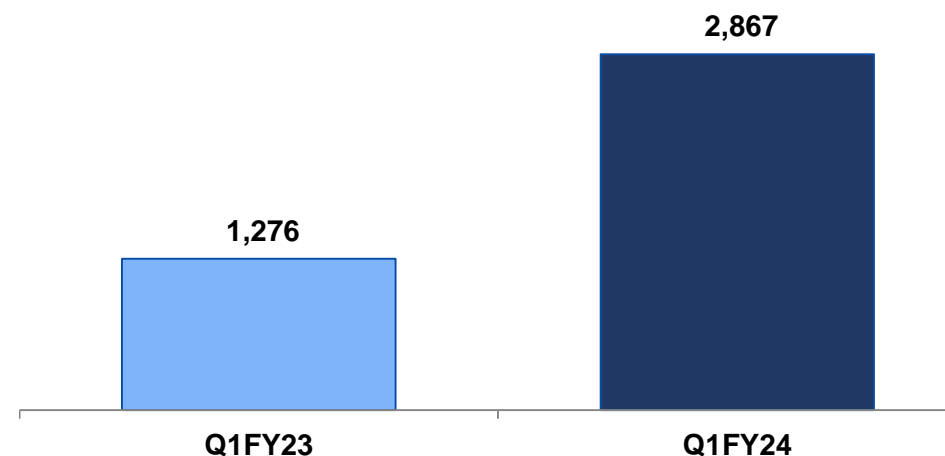
EBITDA and EBITDA Margin



PBT



PAT (after Minority Interest)

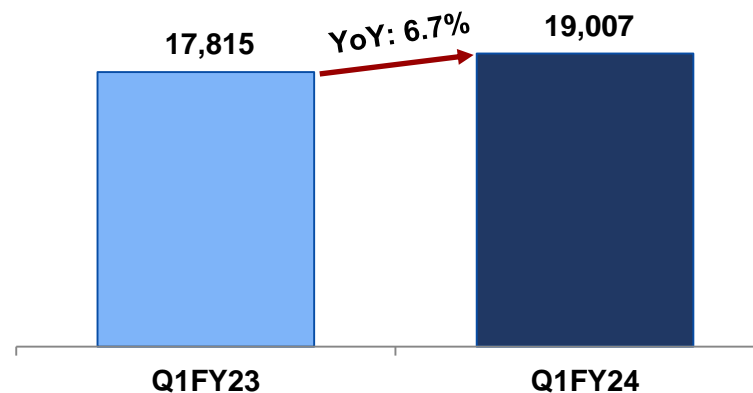


India Business

India Business: Q1FY24 Sales of ₹ 19,007 million (6.7% YoY growth)

- India sales contributed 65.2% to total sales in Q1FY24
- As per IQVIA, In Q1FY24, the Company's secondary sales grew by 7.6% compared to IPM growth of 8.5% YoY.
- Due to delayed onset of monsoon, acute therapies grew slower than market while Chronic therapies continue to outperform the market.
- Moved up 1 rank each in anti-diabetic and Neuro / CNS. Derma and anti-diabetic delivered more than 2X market growth rate.
- Trade generic continues to play an important role in domestic business.

Q1FY24 – India Sales (₹ mn)

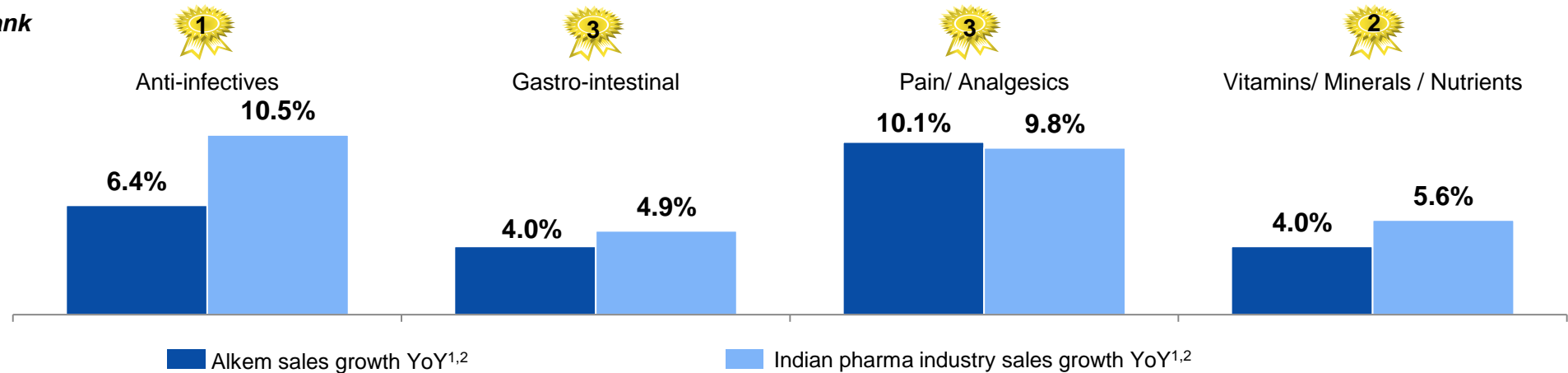


Secondary Sales Performance

Mixed growth across all major therapeutic segments in Q1FY24

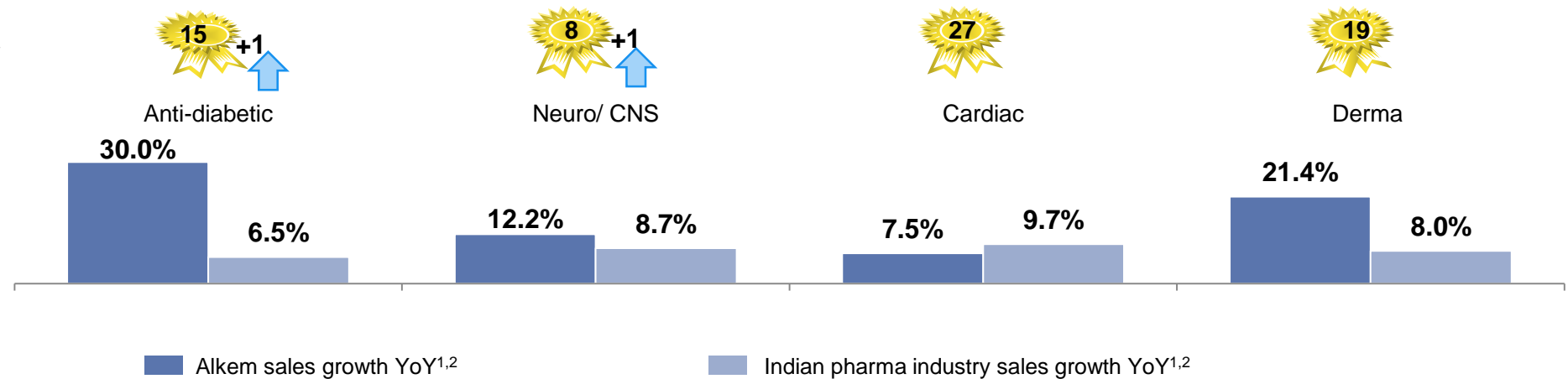
Acute Therapies

Market rank



Chronic Therapies

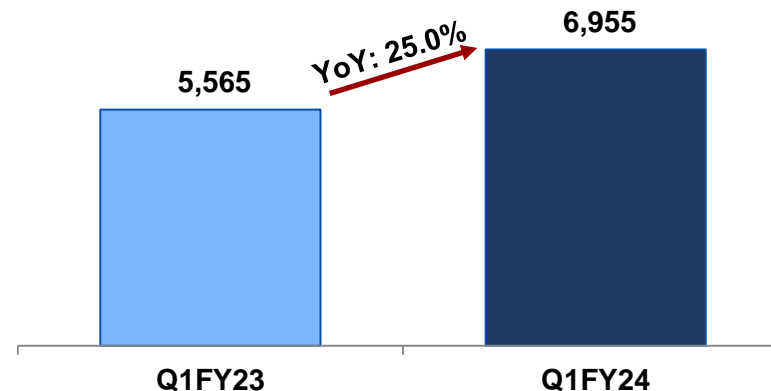
Market rank



US Business: Q1FY24 Sales of ₹ 6,955 million (25.0% YoY growth)

- US sales contributed 23.9% to total sales in Q1FY24
- During the quarter, the US business registered strong growth of 25.0% YoY and 17.5% QoQ.
- In Q1FY24, the Company filed 1 ANDAs with the US FDA and received 7 approvals (including 1 tentative approvals).
- As on June 30, 2023, the Company filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 135 ANDAs (including 14 tentative approvals) and 2 NDAs.

Q1FY24 – US Sales (₹ mn)



US Business



Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Inspection is closed. EIR# received in July 2023
St. Louis (US)	Formulations	November 2022	Inspection is closed. EIR# received in December 2022
Taloja (India)	Bioequivalence Centre	October 2022	Successfully closed inspection without any observations.
Indore	Formulations	July 2022	Inspection is closed. EIR# received in February 2023
Baddi (India)	Formulations	February 2020	Inspection is closed. EIR# received in March 2020
Daman (India)	Formulations	August 2019	Inspection is closed. EIR# received in October 2019
California (US)	API	August 2018	Inspection is closed. EIR# received in October 2018
Mandva (India)	API	September 2015	Inspection is closed. EIR# received in March 2016

EIR – Establishment Inspection Report indicating successful closure of inspection

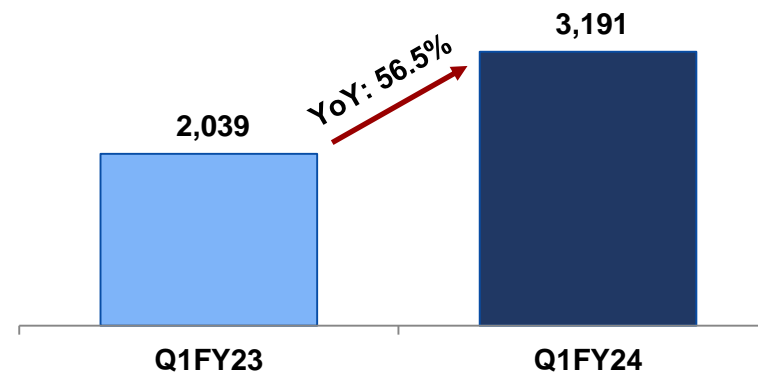
EIR – Establishment Inspection Report

Other International Business

Other International Business: Q1FY24 Sales of ₹ 3,191 million (56.5% YoY growth)

- Other International Market sales contributed 10.9 % to total sales in Q1FY24
- The Company has presence mainly in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, UK, Kazak and Philippines have registered very strong growth during Q1FY24.

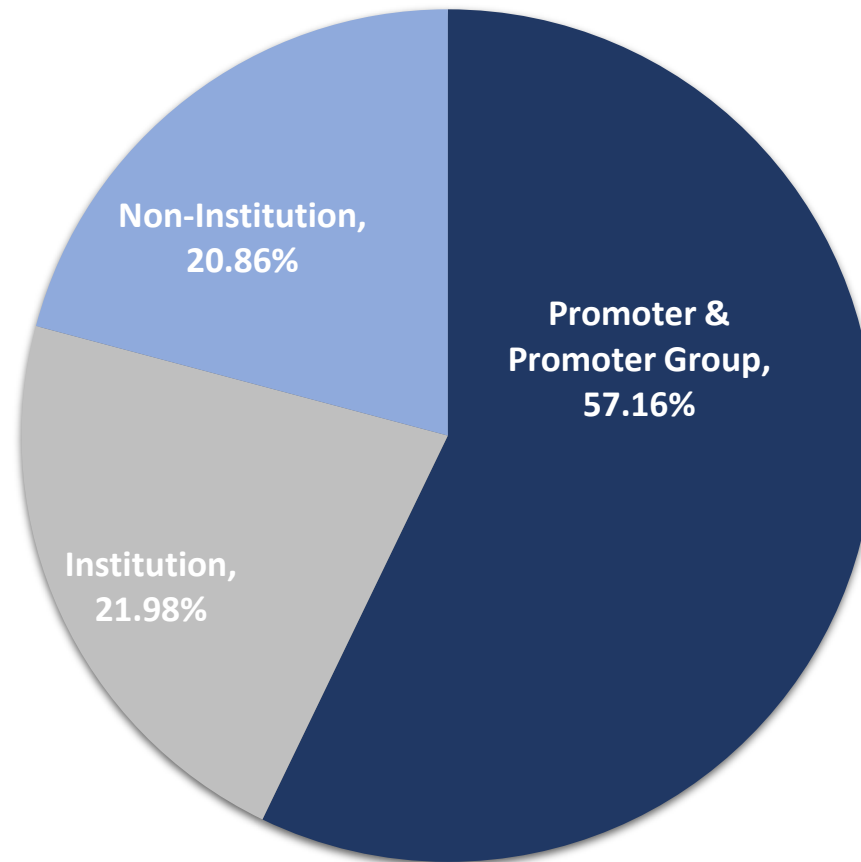
Q1FY24 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on June 30, 2023



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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