

# ALKEM LABORATORIES LIMITED



Investor Presentation  
Q3FY22 February 4, 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.



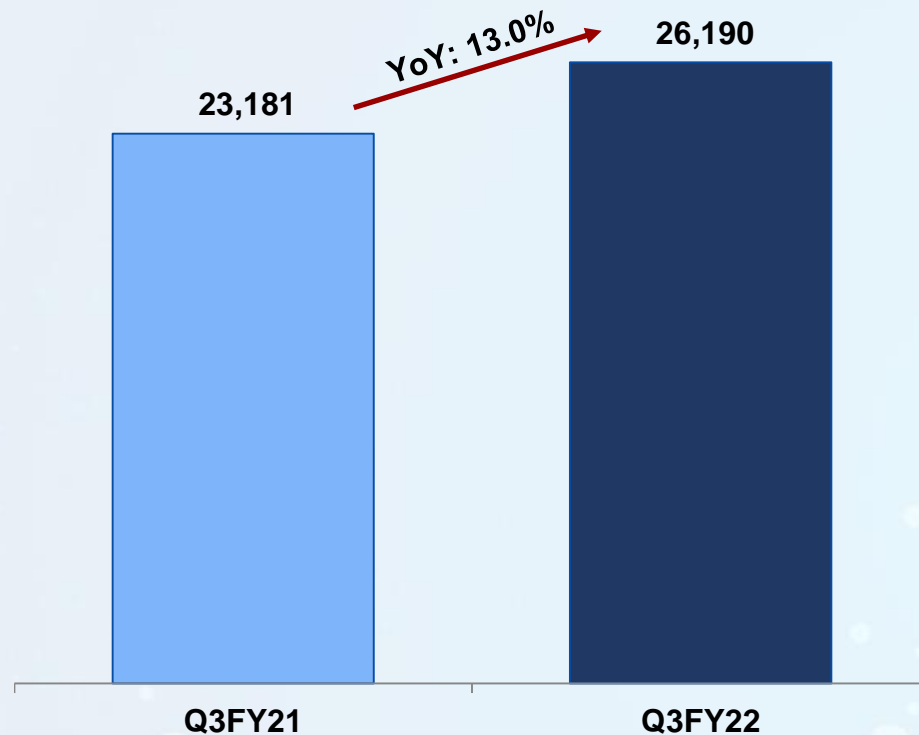
# Key Highlights of Q3FY22 and 9MFY22

- **Revenue from Operations** grew by 13.0% YoY during the quarter, with EBITDA margin at 19.0% and Net Profit growth of 16.6% YoY
- **India Business:** Company's secondary sales in Q3FY22 registered growth of 16.0% YoY compared to IPM growth of 10.4% YoY (Source: IQVIA data)
  - Strong volume led growth in the acute therapies partially helped by COVID-19
  - Faster than market growth in chronic therapies during 9MFY22
  - Trade Generic business continues to deliver robust growth despite the high base of last year
  - Recently launched Pulmocare division (in respiratory segment) saw encouraging response with higher than market growth rate
- **US Business** – Continue to face pricing pressure on the base business, partially being mitigated by new product launches
- **R&D** expenses in the quarter was ₹ 1.4 billion at 5.5% of revenue from operations
  - The Company filed 1 ANDAs with the US FDA and received 6 approvals (including 1 tentative approvals) in Q3FY22
- **Healthy Balance Sheet** with net cash of ₹ 14.9 billion as on December 31, 2021

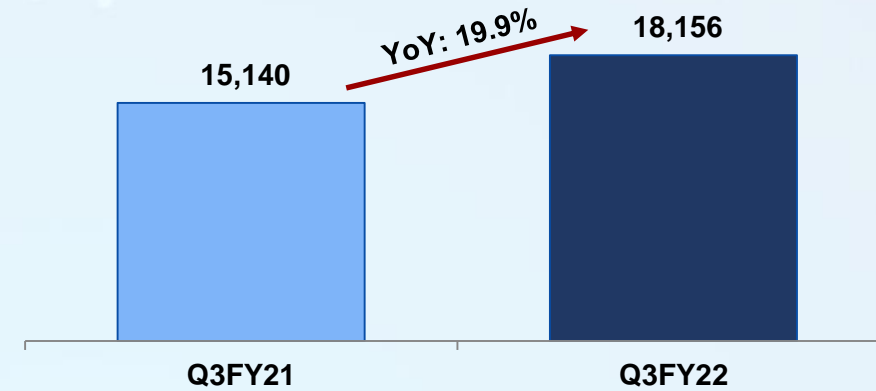
# Key Financial Highlights – Q3FY22 (Consolidated)

All figures in ₹ mn

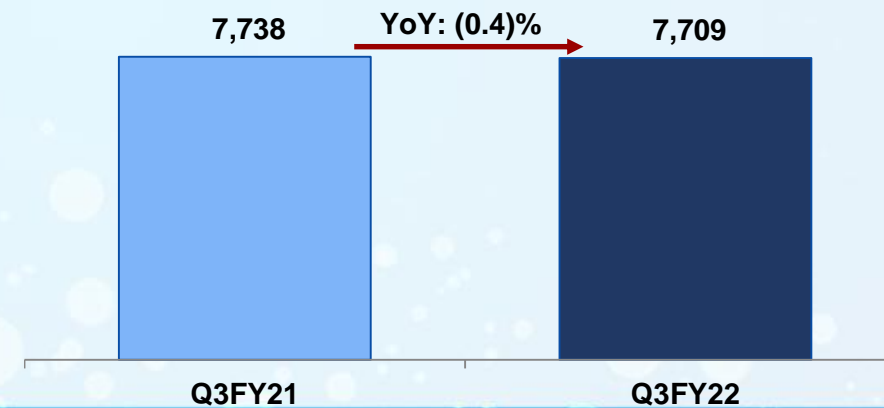
## Revenue from Operations



## India sales



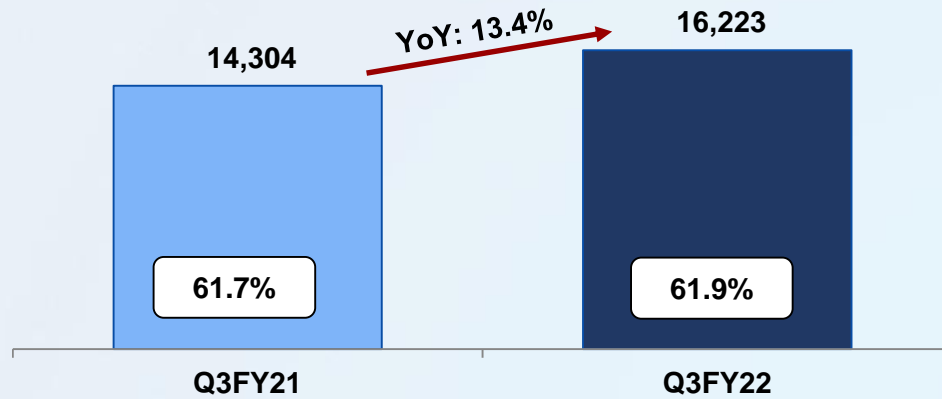
## International sales



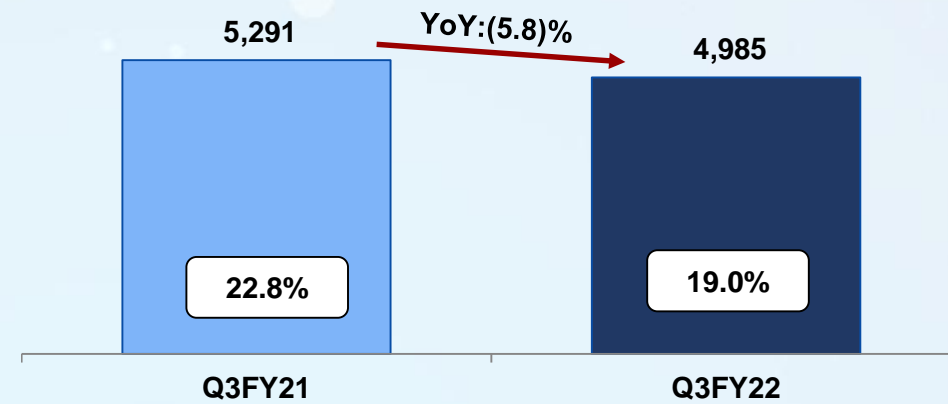
# Key Financial Highlights – Q3FY22 (Consolidated)

All figures in ₹ mn

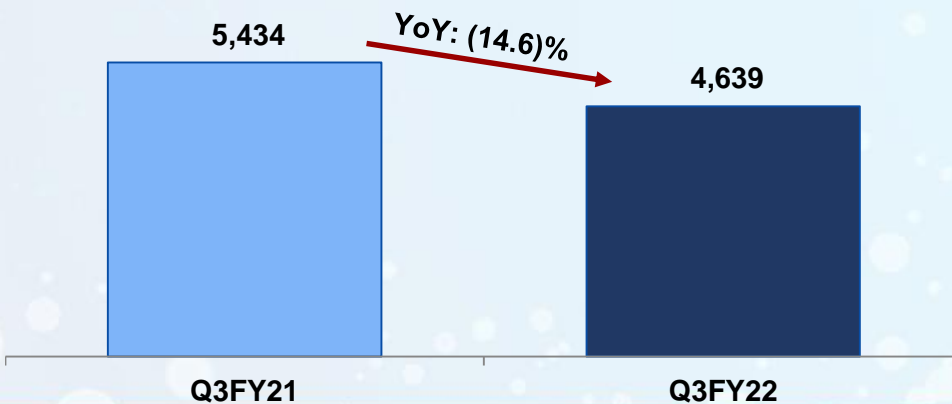
## Gross Profit and Gross Margin



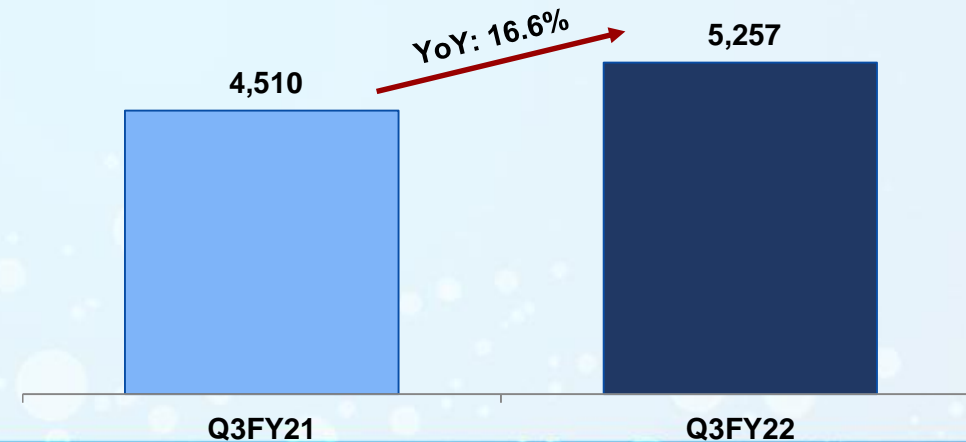
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)



# Key Financial Highlights – 9MFY22 (Consolidated)

All figures in ₹ mn

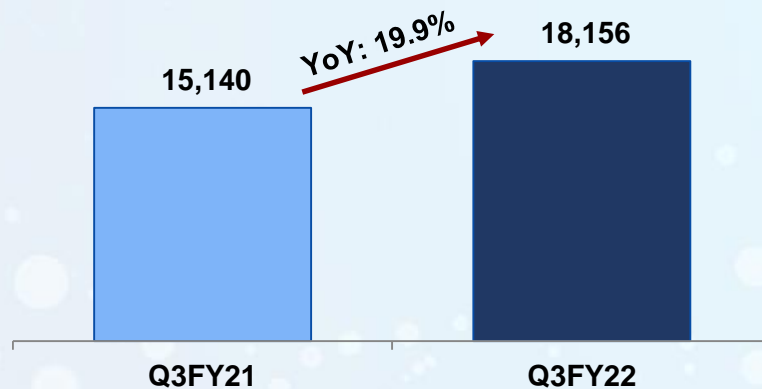
Particulars (₹ mn)	9MFY22	9MFY21	YoY growth
Revenue from Operations	81,503	66,729	22.1%
Gross Profit	50,014	41,174	21.5%
Gross Profit margin	61.4%	61.7%	
EBITDA	17,157	16,513	3.9%
EBITDA margin	21.1%	24.7%	
PBT	16,016	15,839	1.1%
PBT margin	19.7%	23.7%	
PAT (After Minority Interest)	15,380	13,450	14.3%
PAT margin	18.9%	20.2%	
EPS (₹ / share)	128.64	112.49	14.3%

# India Business

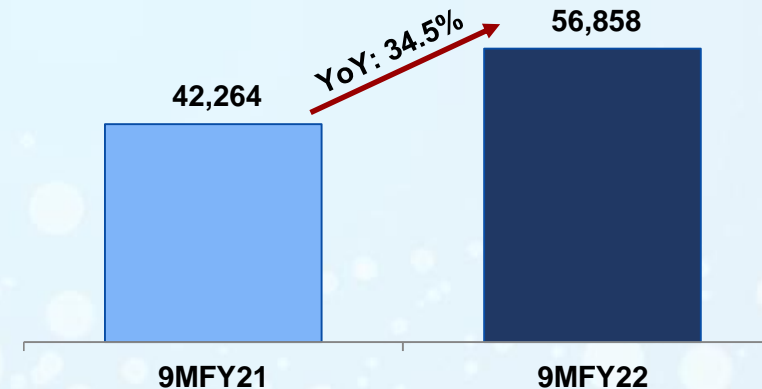
## India Business: Q3FY22 Sales of ₹ 18,156 million (19.9% YoY growth)

- India sales contributed 70.2% to total sales in Q3FY22
- In 9MFY22, the Company's secondary sales grew by 31.7% YoY compared to IPM growth of 21.1% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment helped by COVID-19 tailwinds
- During 9MFY22, the Company also outperformed IPM in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma
- Company's Trade Generic business delivered a robust growth during the quarter and nine months, despite the high base of last financial year

**Q3FY22 – India Sales (₹ mn)**



**9MFY22 – India Sales (₹ mn)**

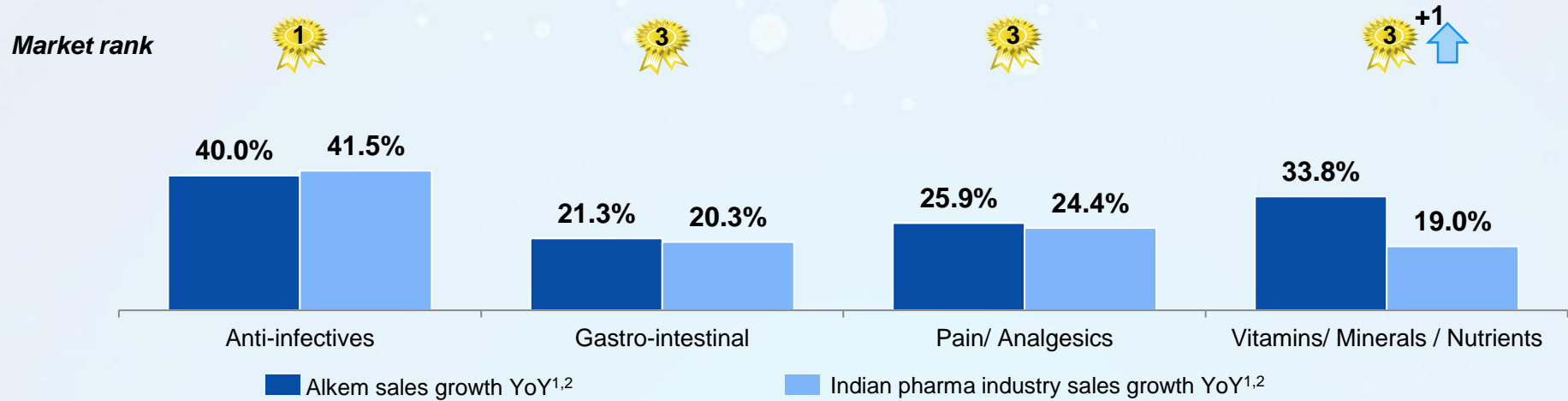




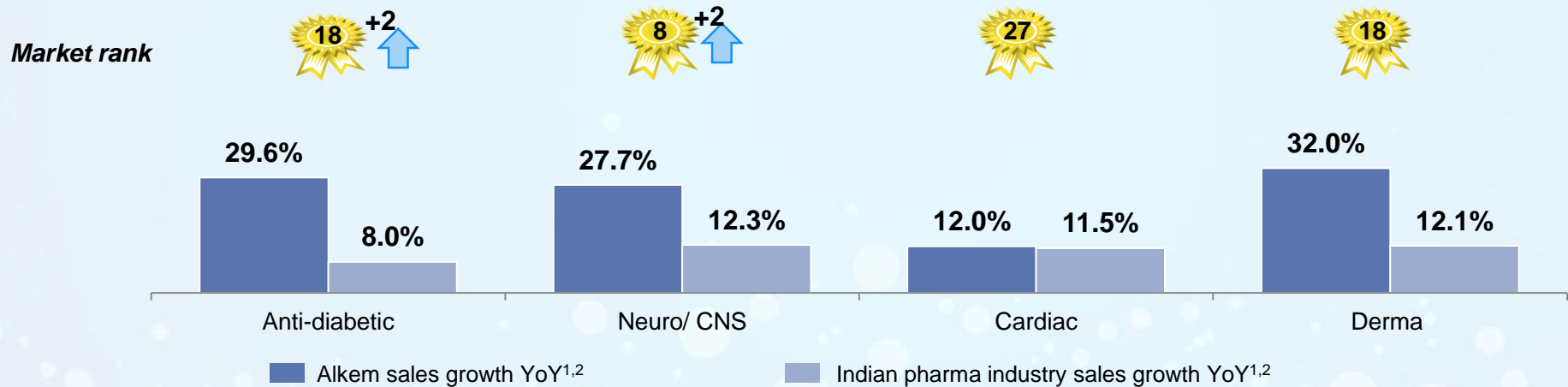
# Secondary Sales Performance

Robust growth across all the major therapeutic segments in 9MFY22

## Acute Therapies



## Chronic Therapies



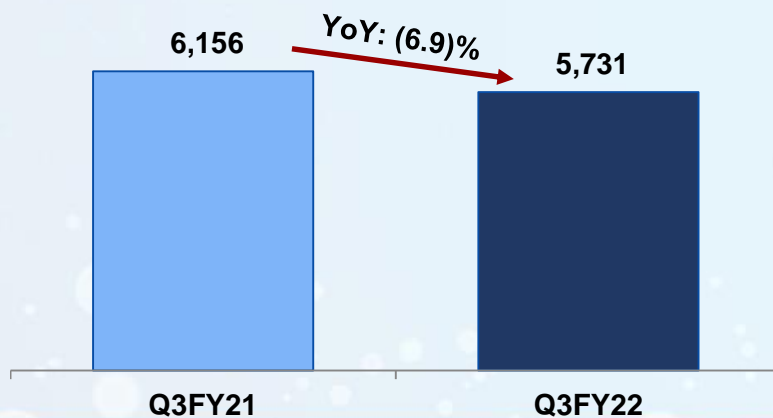


# US Business

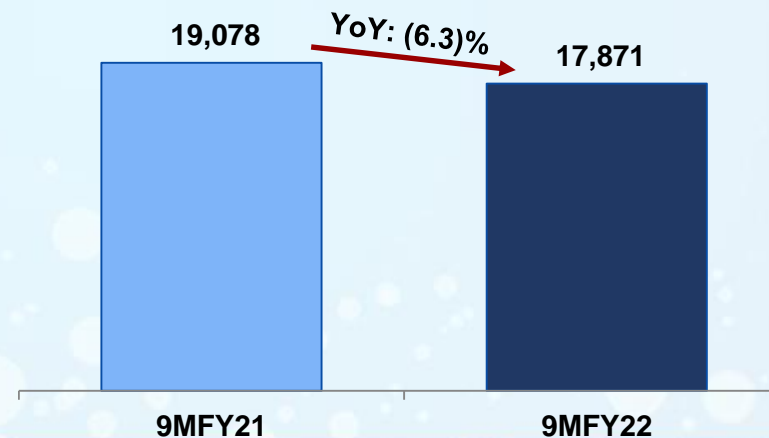
## US Business: Q3FY22 Sales of ₹ 5,731 million (YoY decline of 6.9%)

- US sales contributed 22.2% to total sales in Q3FY22
- YoY decline was mainly on account of significant pricing pressure on the base business which was partially offset by new product launches
- In 9MFY22, the Company filed 9 ANDAs with the US FDA and received 18 approvals (including 3 tentative approvals)
- As on December 31, 2021, the Company has filed a total of 160 ANDAs (including 2 NDAs) with the US FDA and has received 124 approvals (including 15 tentative approvals and 2 NDAs)

Q3FY22 – US Sales (₹ mn)



9MFY22 – US Sales (₹ mn)



# US Business

## Update on US FDA inspections

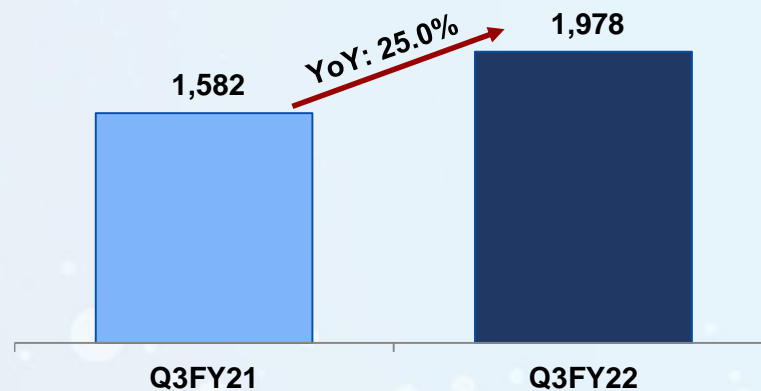
Manufacturing Facility	Capability	Last inspection	Status post last inspection
<b>Taloja (India)</b>	Bioequivalence Centre	July 2021	Successfully closed inspection without any observations
<b>St. Louis (US)</b>	Formulations	June 2021	Received 2 observations. Already sent a detail response to the US FDA on the corrective and preventive actions being taken
<b>Baddi (India)</b>	Formulations	February 2020	EIR# received in March 2020
<b>Daman (India)</b>	Formulations	August 2019	EIR# received in October 2019
<b>California (US)</b>	APIs	August 2018	EIR# received in October 2018
<b>Ankleshwar (India)</b>	APIs	December 2016	EIR# received in March 2017
<b>Mandva (India)</b>	APIs	September 2015	EIR# received in March 2016

# Other International Business

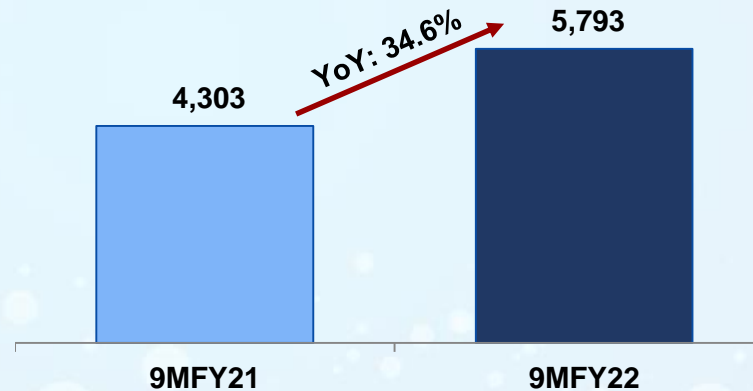
## Other International Business: Q3FY22 Sales of ₹ 1,978 million (25.0% YoY growth)

- Other International Market sales contributed 7.6% to total sales in Q3FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines and Kazakhstan registered healthy growth during Q3FY22 and 9MFY22

**Q3FY22 – Other International Sales**  
(₹ mn)



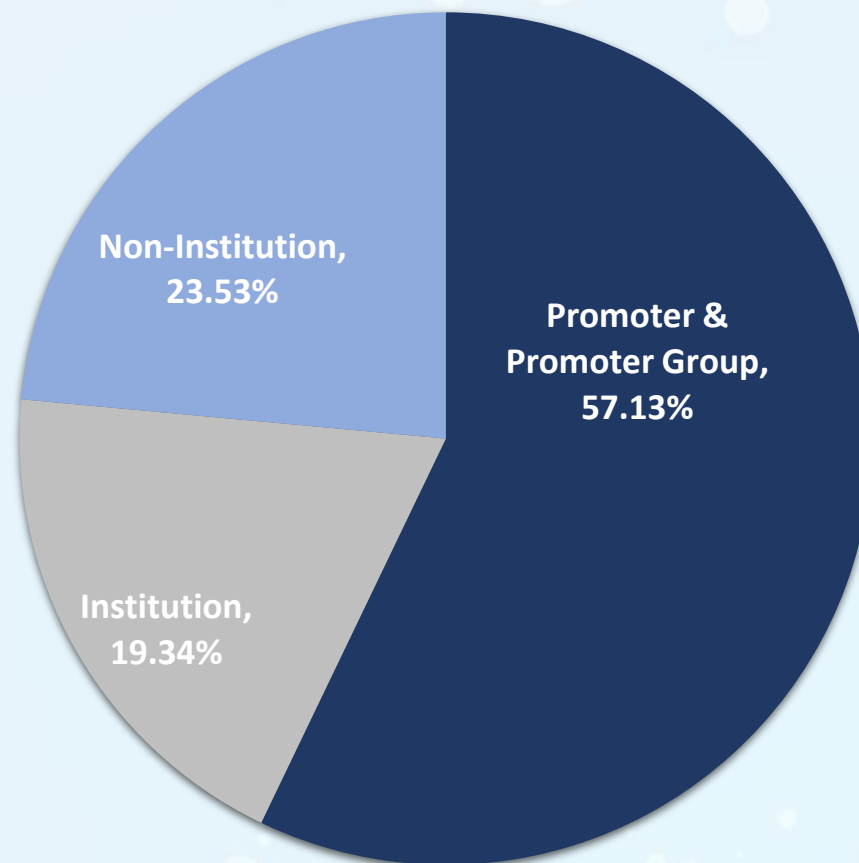
**9MFY22 – Other International Sales**  
(₹ mn)





# Latest Shareholding Pattern

Shareholding pattern as on December 31, 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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