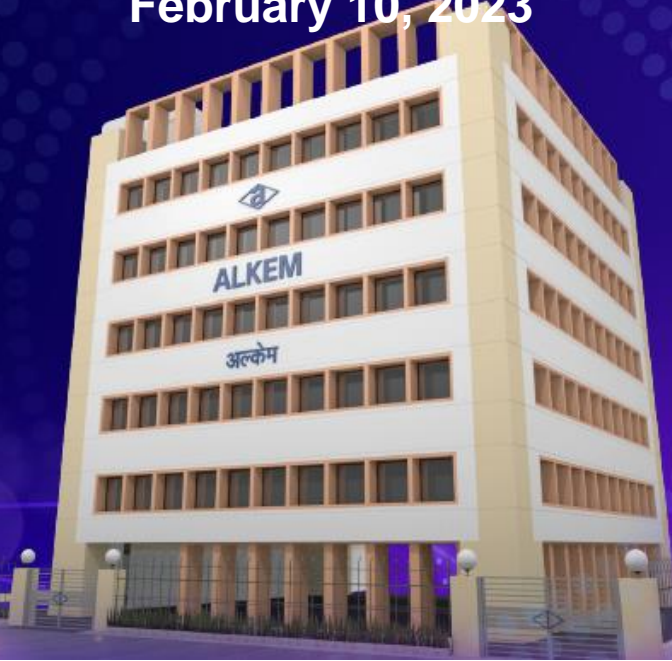




Alkem Laboratories Ltd.

Investor Presentation Q3FY23
February 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 Q3FY23 and 9MFY23

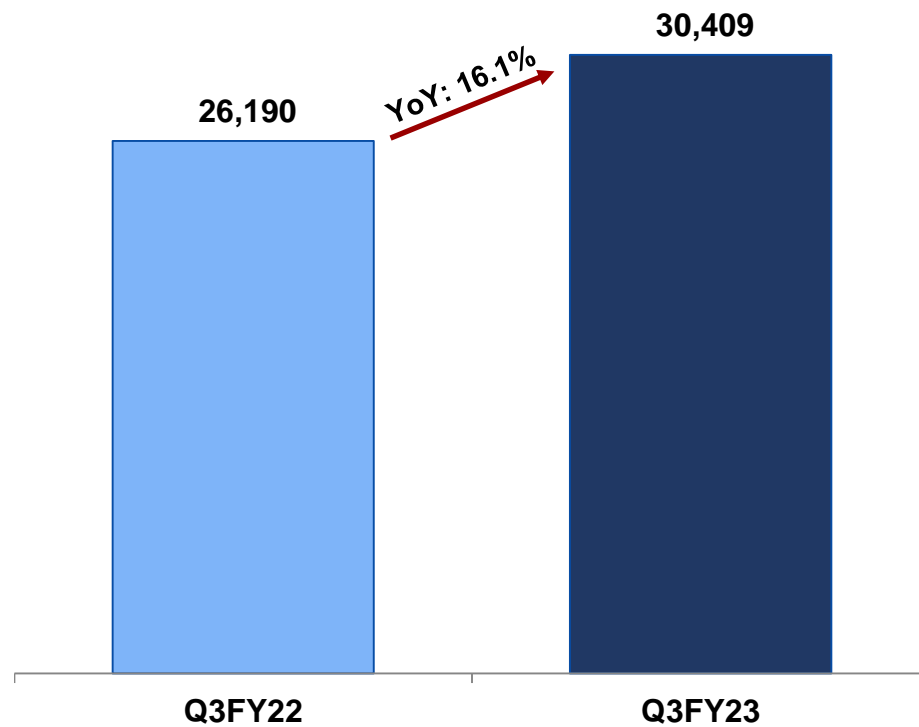
- **Revenue from Operation** grew 16.1% YoY during the quarter, with EBITDA margin of 19.7% and Net Profit margin of 15.0%
- **India Business:** As per IQVIA, Company's sales in Q3FY23 registered growth of 16.7% YoY compared to IPM growth of 10.0% YoY
 - Consistently outperforming market in excess of 500 basis points from last two quarters.
 - Volume and price led growth picking up after muted Q1FY23.
 - Anti-diabetic and Neuro/ CNS leading from the front and growing in excess of 30% during the quarter.
- **US Business** posted strong growth led by good season after two quarters of subdued performance.
- **R&D expenses** in the quarter was ₹1.3 billion at 4.3 % of revenue from operations
 - The Company filed 2 ANDAs with the US FDA and received 3 approvals (including 1 tentative approval) in Q3FY23
- **Enzene Bio-sciences**
 - Raised ₹161 Crs and partnered with Eight Roads Ventures and F-Prime Capital.
 - Launched Adalimumab in domestic market taking the total tally to 4 commercial launches.
 - Received approval for Cetuximab, 5th biosimilar for the Indian market.
- **Healthy Balance Sheet** with net cash of ₹19 billion as on December 31, 2022

Key Financial Highlights – Q3FY23 (Consolidated)

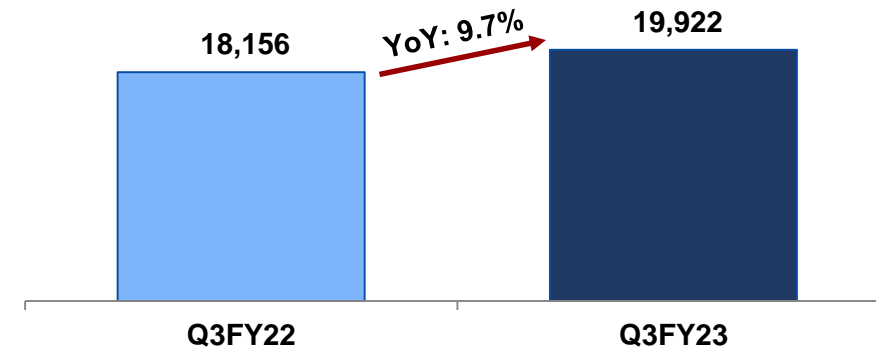


All figures in ₹ mn

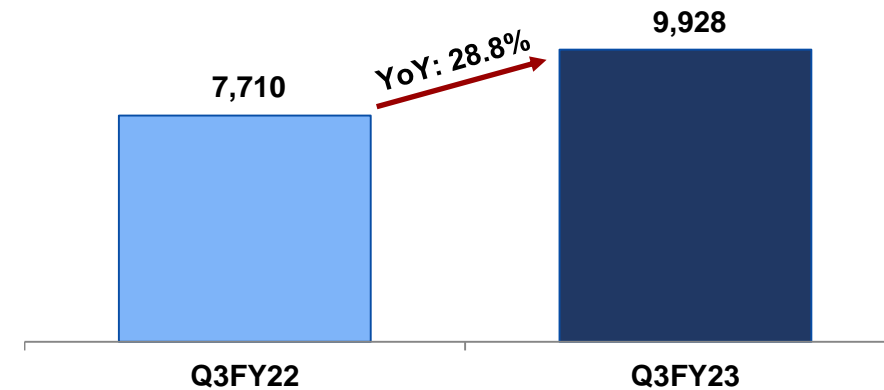
Revenue from Operations



India sales



International sales

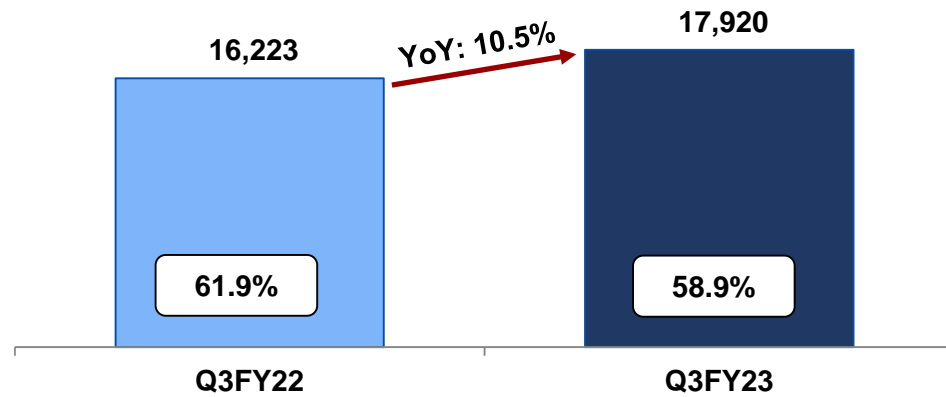


Key Financial Highlights – Q3FY23 (Consolidated)

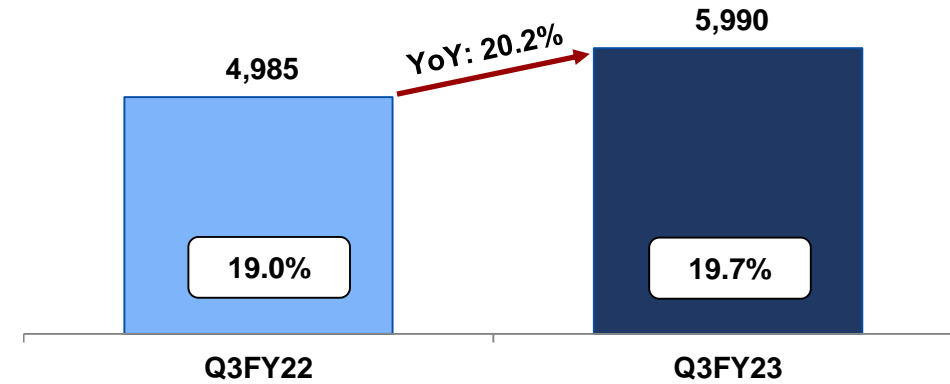


All figures in ₹ mn

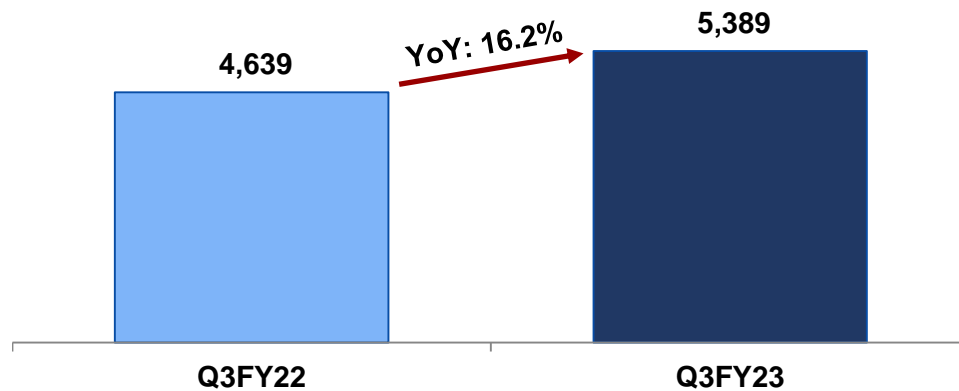
Gross Profit and Gross Margin



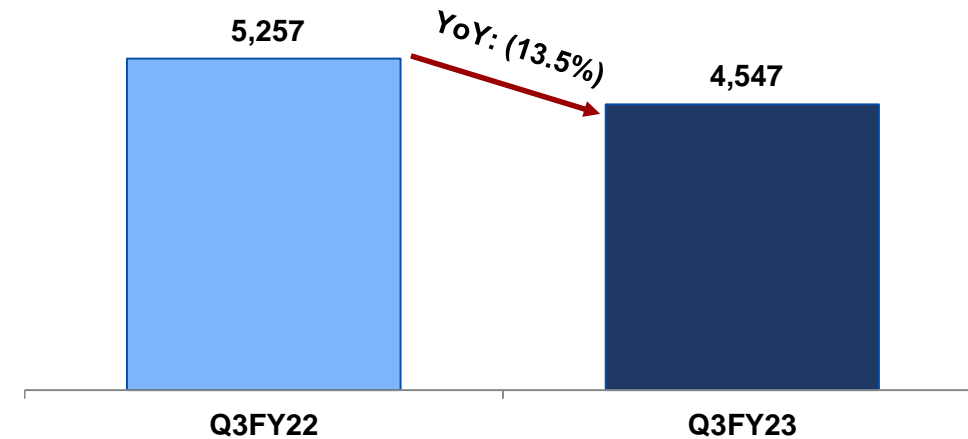
EBITDA and EBITDA Margin



PBT



PAT (after Minority Interest)



Key Financial Highlights – 9MFY23 (Consolidated)



All figures in ₹ mn

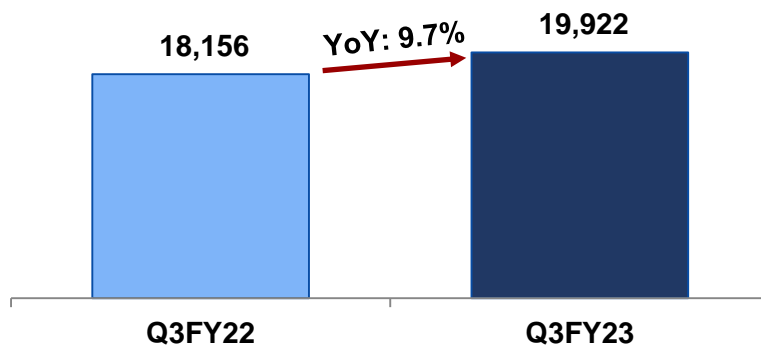
Particulars (₹ mn)	9MFY23	9MFY22	YoY growth
Revenue from Operations	86,967	81,503	6.7%
Gross Profit	50,453	50,014	0.9%
Gross Profit margin	58.0%	61.4%	
EBITDA	12,562	17,157	-26.8%
EBITDA margin	14.4%	21.1%	
PBT	10,931	16,016	-31.7%
PBT margin	12.6%	19.7%	
PAT (After Minority Interest)	9,132	15,380	-40.6%
PAT margin	10.5%	18.9%	
EPS (₹ / share)	76.38	128.64	-40.6%

India Business

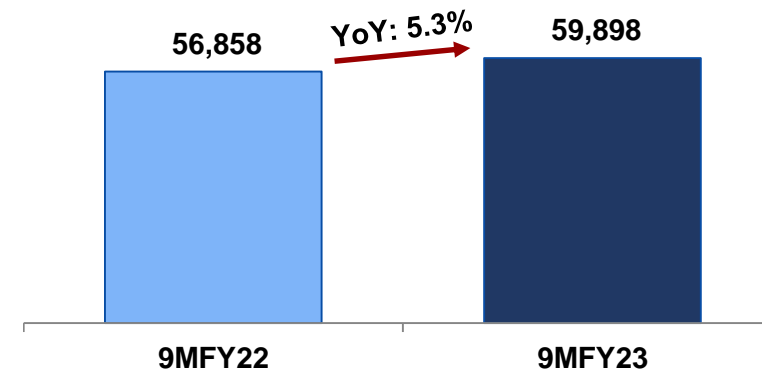
India Business: Q3FY23 Sales of ₹ 19,922 million (9.7% YoY growth)

- India sales contributed 66.7% to total sales in Q3FY23
- As per IQVIA, In Q3FY23, the Company's secondary sales grew by 16.7% compared to IPM growth of 10.0% YoY.
- Outperformance in acute therapies was mainly led by anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment.
- Outperformance in the chronic therapies was driven by anti-diabetes, Neuro / CNS and derma during the quarter.
- Trade Generic continues to play an important role in growth of the company.

Q3FY23 – India Sales (₹ mn)



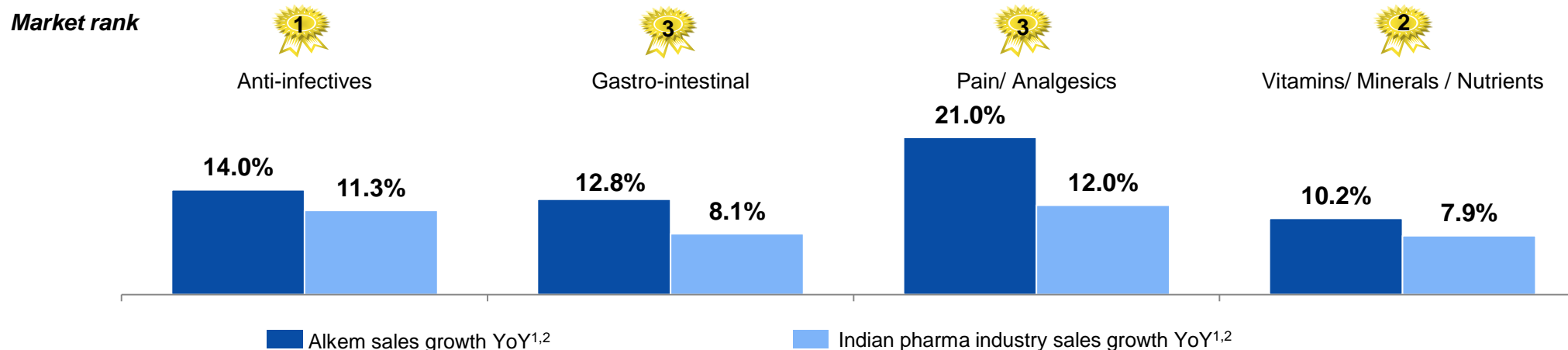
9MFY23 – India Sales (₹ mn)



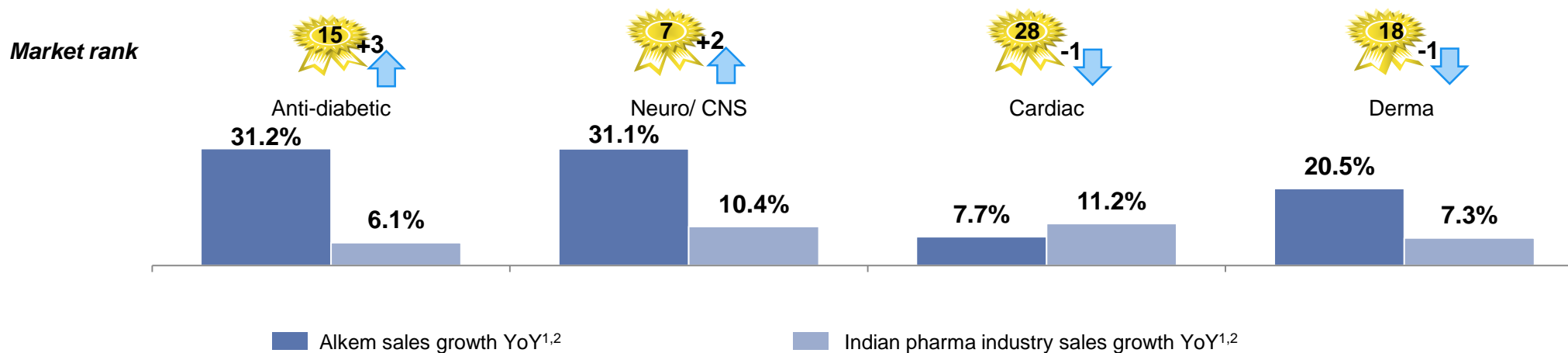
Secondary Sales Performance

Market beating performance across major therapeutic segments in Q3FY23

Acute Therapies



Chronic Therapies



Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended December 31, 2022

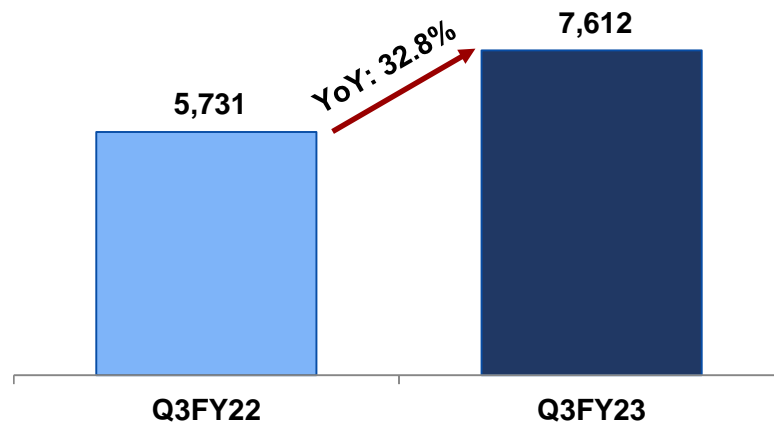
US Business



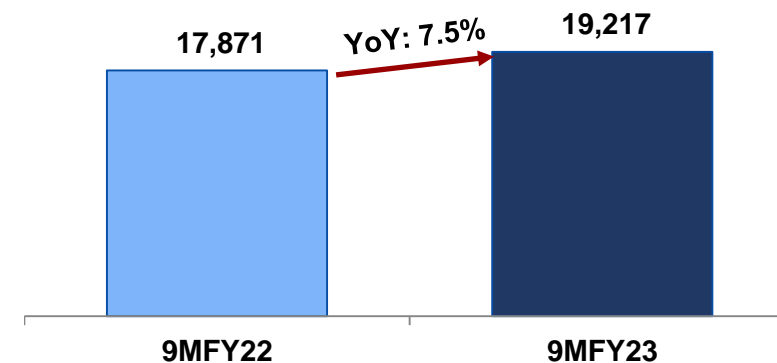
US Business: Q3FY23 Sales of ₹ 7,612 million (32.8% YoY growth)

- US sales contributed 25.5% to total sales in Q3FY23
- During the quarter, the US business registered sequential growth of 26.0% over Q2FY23
- In Q3FY23, the Company filed 2 ANDAs with the US FDA and received 3 approvals (including 1 tentative approval)
- As on December 31, 2022, the Company filed a total of 169 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 129 ANDAs (including 14 tentative approvals) and 2 NDAs.

Q3FY23 – US Sales (₹ mn)



9MFY23 – US Sales (₹ mn)



US Business



Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
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	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.
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)	APIs	August 2018	Inspection is closed. EIR# received in October 2018
Ankleshwar (India)	APIs	December 2016	Inspection is closed. EIR# received in March 2017
Mandva (India)	APIs	September 2015	Inspection is closed. EIR# received in March 2016

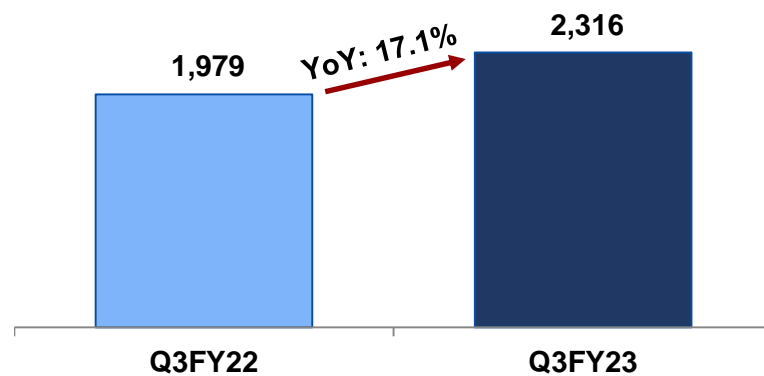
EIR – Establishment Inspection Report

Other International Business

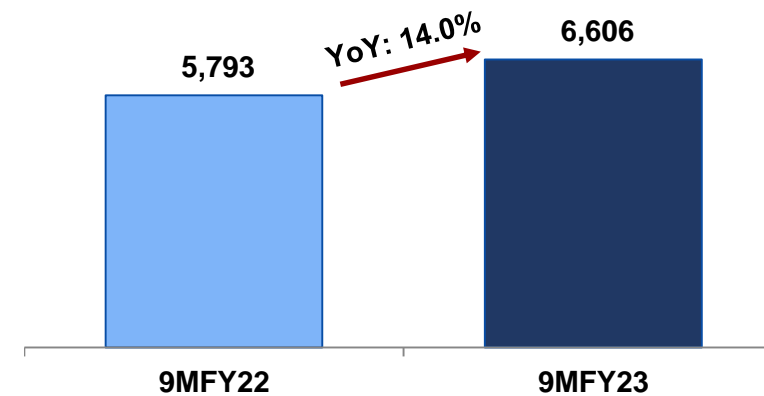
Other International Business: Q3FY23 Sales of ₹ 2,316 million (17.1% YoY growth)

- Other International Market sales contributed 7.8 % to total sales in Q3FY23
- The Company has presence in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- Growth in other International markets is led by Chile and Kazakhstan in Q3FY23.

Q3FY23 – Other International Sales
(₹ mn)



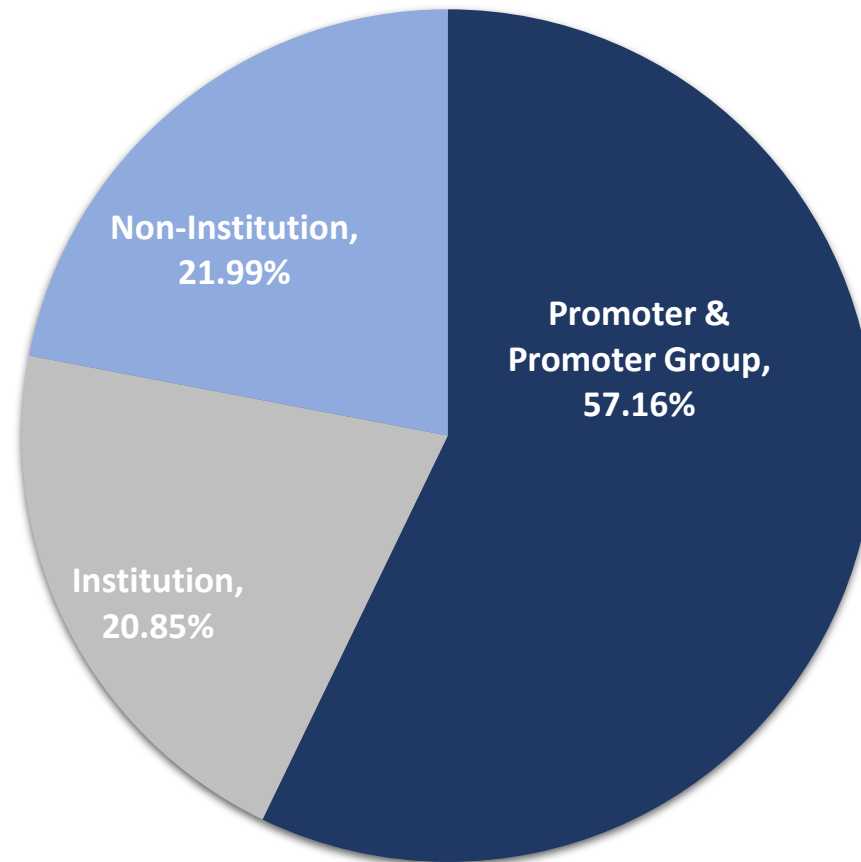
9MFY23 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on December 31, 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

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