



# Alkem Laboratories Ltd.



**Investor Presentation Q4FY21**  
**May 25, 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 Q4FY21 and FY21

## Healthy performance in a challenging year

- **Revenue from Operations** grew by 6.2% YoY during the financial year, accompanied by 420bps expansion in EBITDA margin to 21.9% and Net Profit growth of 40.6% YoY
- **During the Quarter**, Revenue from Operations grew by 7.0% YoY and Net Profit grew by of 27.1% YoY
- **India Business**: Company's secondary sales witnessed good recovery in the second half of the financial year compared to YoY decline in the first half (Source: IQVIA data)
  - Company's top brands continue to grow ahead of their respective markets (Source: IQVIA data)
  - Company's Trade Generic business registered robust growth during the quarter and the year gone by
- **US Business** grew by 11.4% YoY during the financial year, largely driven by new product launches
- **R&D** expenses in FY21 was at 6.0% of revenue from operations compared to 5.7% in FY20
  - The Company filed 9 ANDAs with the US FDA and received 25 approvals (including 6 tentative approval) in FY21
- **Healthy Balance Sheet** with net cash of ₹ 5.3bn as on March 31, 2021

# Key Financial Highlights – Q4FY21 (Consolidated)

All figures in ₹ mn

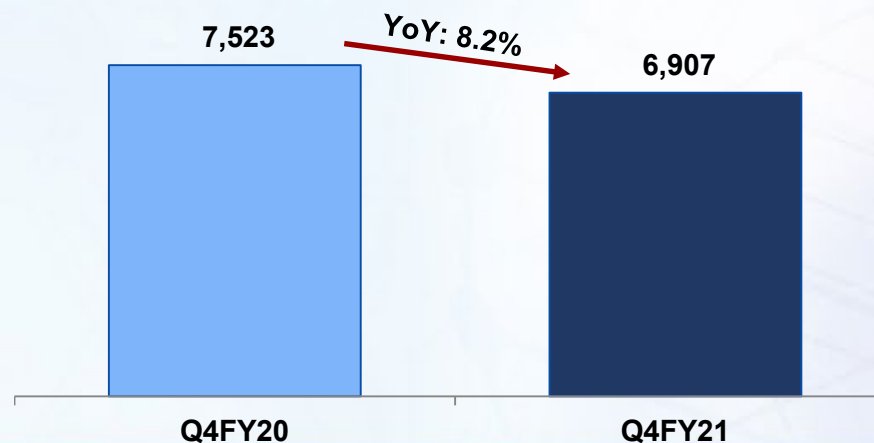
## Revenue from Operations



## India sales



## International sales

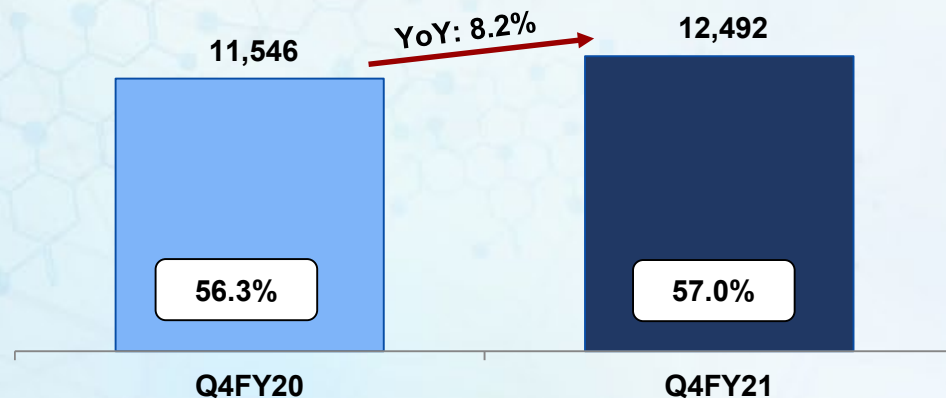


# Key Financial Highlights – Q4FY21 (Consolidated)

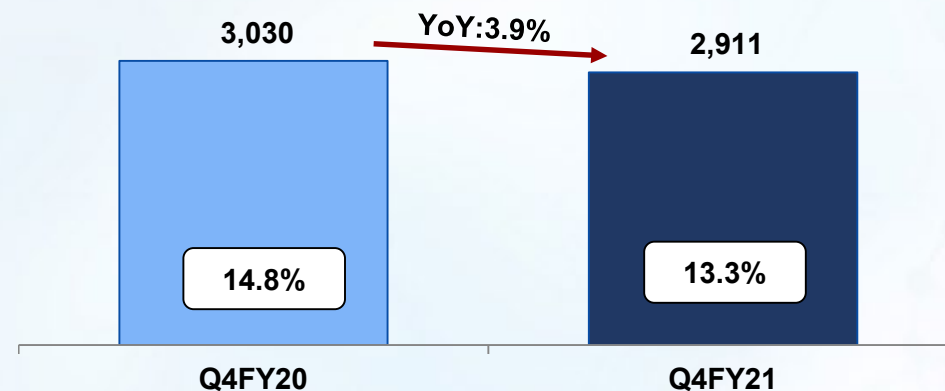


All figures in ₹ mn

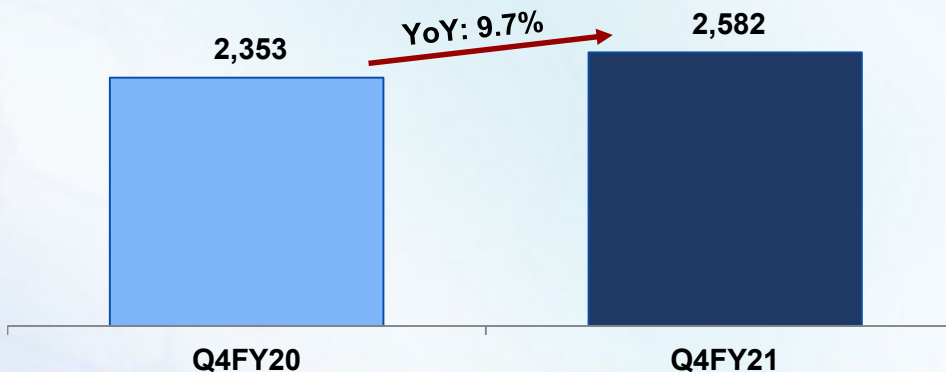
## Gross Profit and Gross Margin



## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)



## Key Financial Highlights – FY21 (Consolidated)

Particulars (₹ mn)	FY21	FY20	YoY growth
Revenue from Operations	88,650	83,444	6.2%
Gross Profit	53,666	49,994	7.3%
Gross Profit margin	60.5%	59.9%	
EBITDA	19,424	14,734	31.8%
EBITDA margin	21.9%	17.7%	
PBT	18,421	12,598	46.2%
PBT margin	20.8%	15.1%	
PAT (After Minority Interest)	15,850	11,271	40.6%
PAT margin	17.9%	13.5%	
EPS (₹ / share)	132.57	94.26	40.6%

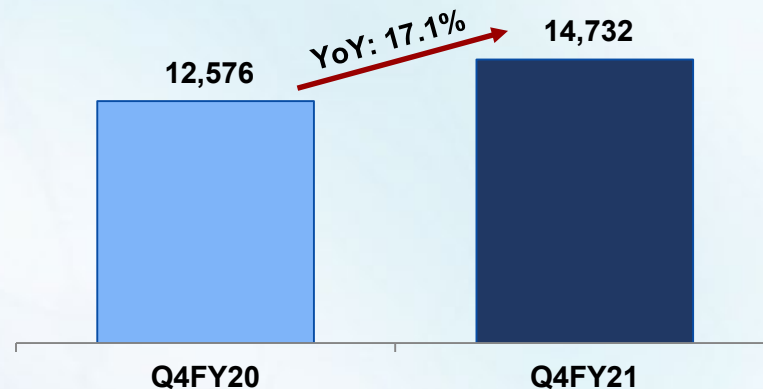


# India Business

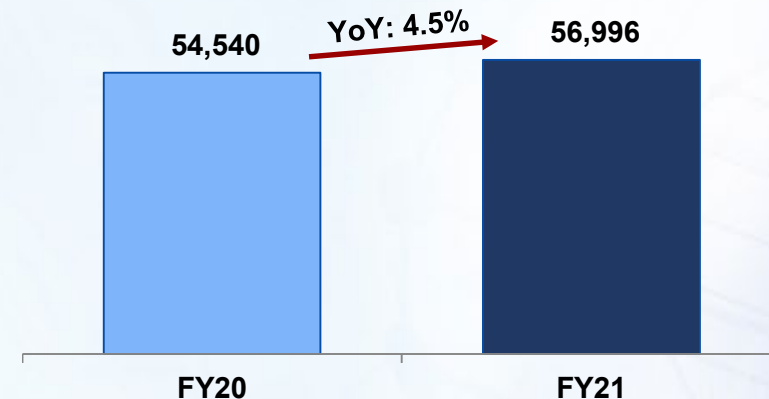
## India Business: Q4FY21 Sales of ₹ 14,732 million (17.1% YoY growth)

- India sales contributed 68.1% to total sales in Q4FY21
- Company witnessed good recovery in the second half of the financial year compared to YoY decline in the first half
- Company's Trade Generic business delivered a robust growth during the quarter and the financial year
- In Q4FY21, the Company's secondary sales grew by 9.8% YoY compared to IPM growth of 8.5% YoY (Source: IQVIA data)
- During the quarter, the Company grew ahead of the market in the therapy areas of anti-infectives, pain management, vitamins / minerals / nutrients, neuro / CNS, cardiac and anti-diabetes (Source: IQVIA data)

**Q4FY21 – India Sales (₹ mn)**



**FY21 – India Sales (₹ mn)**



# Secondary Sales Performance

**Company's India business registered healthy recovery in the second half of FY21 compared to YoY decline in the first half**

Therapy segment	Alkem's Secondary Sales Growth YoY				
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Anti-infectives	-22.1%	-12.2%	-3.9%	-0.5%	-9.5%
Gastro Intestinal	-4.0%	6.0%	12.5%	17.3%	7.4%
Pain / Analgesics	-14.1%	-5.4%	3.2%	9.8%	-1.9%
Vitamins / Minerals / Nutrients	3.9%	30.3%	39.6%	36.0%	27.4%
Neuro / CNS	-14.7%	-9.8%	-2.2%	12.8%	-3.5%
Derma	-35.7%	-19.2%	-11.2%	9.4%	-13.7%
Cardiac	13.9%	17.1%	17.6%	13.1%	15.4%
Anti-Diabetic	11.7%	13.2%	21.2%	27.0%	18.3%
<b>Total</b>	<b>-11.8%</b>	<b>-2.0%</b>	<b>5.4%</b>	<b>9.8%</b>	<b>0.3%</b>

(Source: IQVIA data)

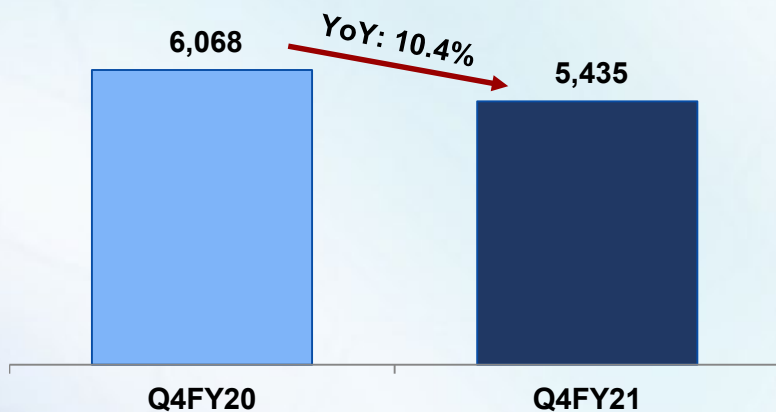


# US Business

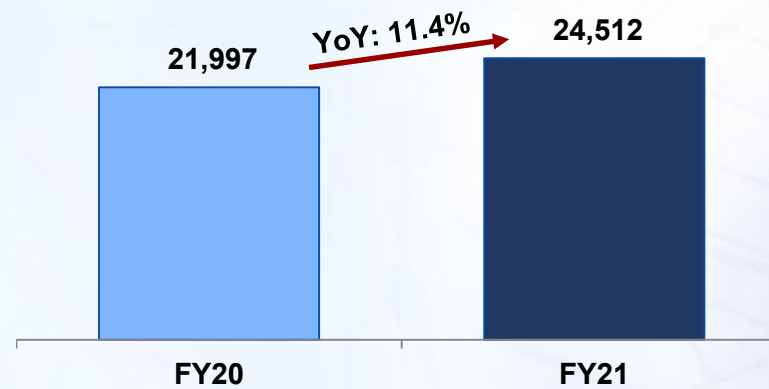
## US Business: Q4FY21 Sales of ₹ 5,435 million (YoY decline of 10.4%)

- US sales contributed 25.1% to total sales in Q4FY21
- Company's US sales doubled in four years through FY17 to FY21 registering a CAGR of 19.5% led by new product launches and market share gain in existing products
- In FY21, the Company filed 9 ANDAs with the US FDA and received 25 approvals (including 6 tentative approval)
- As on March 31, 2021, the Company has filed a total of 152 ANDAs (including 2 NDAs) with the US FDA and has received 110 approvals (including 16 tentative approvals and 2 NDAs)

**Q4FY21 – US Sales (₹ mn)**



**FY21 – US Sales (₹ mn)**



# US Business

## EIR for all the six facilities inspected by the US FDA

Facility	Capability	Last inspection	Status post last inspection
<b>St. Louis (US)</b>	Formulation	January - February 2020	EIR# received in May 2020
<b>Baddi (India)</b>	Formulation	February 2020	EIR# received in March 2020
<b>Daman (India)</b>	Formulation	August 2019	EIR# received in October 2019
<b>California (US)</b>	API	August 2018	EIR# received in October 2018
<b>Ankleshwar (India)</b>	API	December 2016	EIR# received in March 2017
<b>Mandva (India)</b>	API	September 2015	EIR# received in March 2016

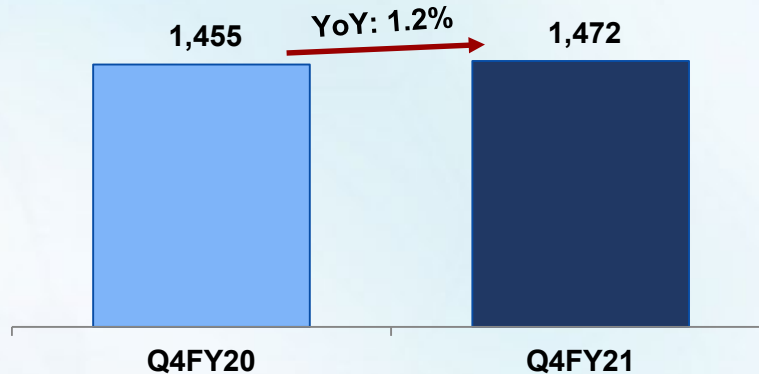
# EIR – Establishment Inspection Report indicating successful close of inspection

# Other International Business

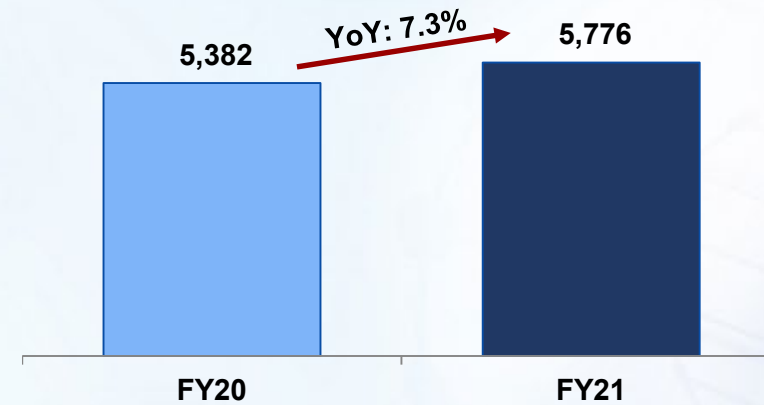
## Other International Business: Q4FY21 Sales of ₹ 1,472 million (1.2% YoY growth)

- Other International Market sales contributed 6.8% to total sales in Q4FY21
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Chile, Kazakhstan and UK registered healthy growth during the year

**Q4FY21 – Other International Sales**  
(₹ mn)



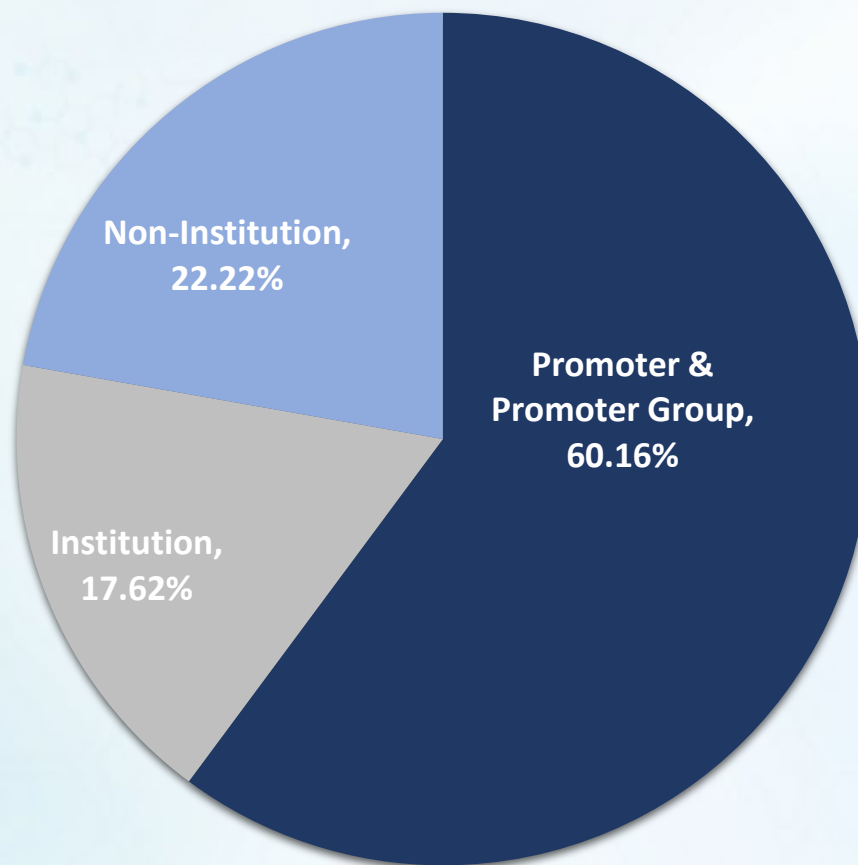
**FY21 – Other International Sales**  
(₹ mn)





# Latest Shareholding Pattern

Shareholding pattern as on March 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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