

ALKEM LABORATORIES LIMITED



Investor Presentation
Q4FY22 May 13, 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 FY22

- **Revenue from Operations** grew by 20.0% YoY during FY22, with EBITDA margin at 19.3% and Net Profit growth of 3.8% YoY
- **India Business:** Company's secondary sales in FY22 registered growth of 27.6% YoY compared to IPM growth of 18.2% YoY (Source: IQVIA data)
 - Strong growth in acute therapies partially helped by COVID-19 tailwinds; faster than market growth in chronic therapies
 - Trade Generic business too delivered a robust growth despite the high base of last year
 - Forayed into respiratory segment with launch of Pulmocare division
- **US Business** – Year marked by significant pricing pressure on the base business, partially mitigated by new product launches
- **R&D** expenses during the year increased by 6.6% YoY to ₹ 5.7 billion (5.3% of revenue from operations)
- **Enzene Biosciences** - Received marketing authorization to commercialized three biosimilar products in India in FY22
 - Signed multiple out-licensing & supply partnerships contracts across regulated and semi-regulated markets
- **Healthy Balance Sheet** with net cash of ₹ 9.7 billion as on March 31, 2022

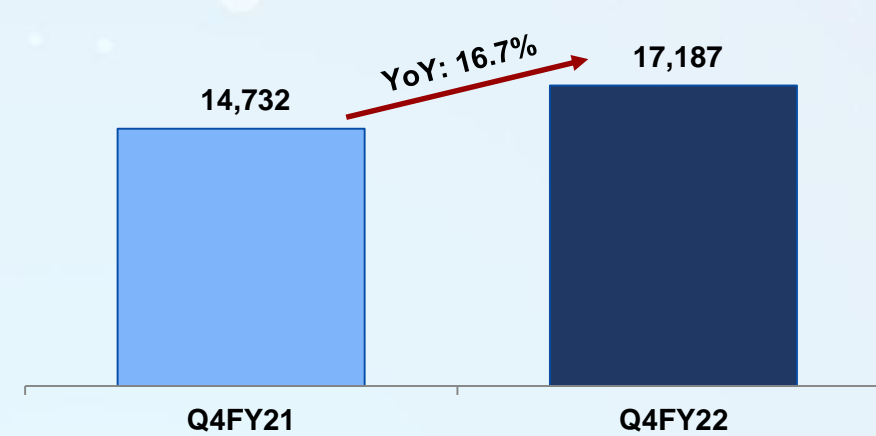
Key Financial Highlights – Q4FY22 (Consolidated)

All figures in ₹ mn

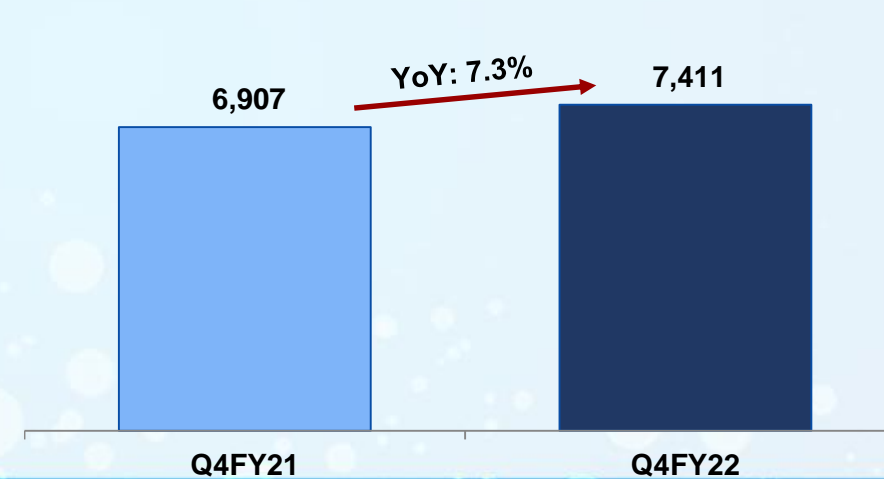
Revenue from Operations



India sales



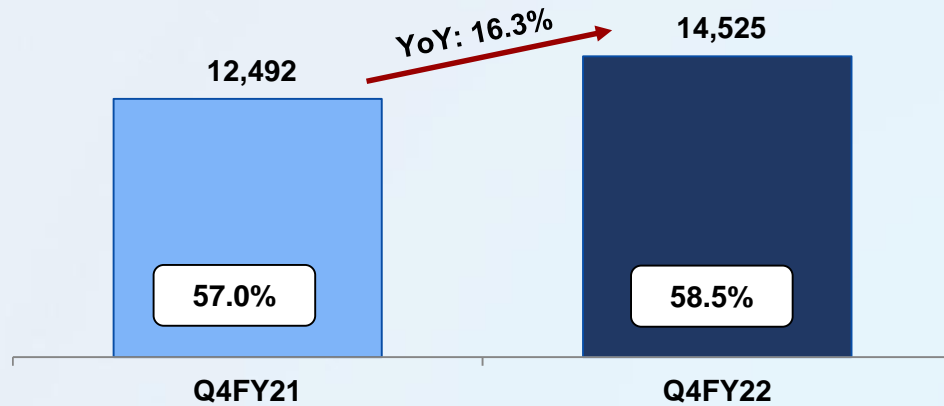
International sales



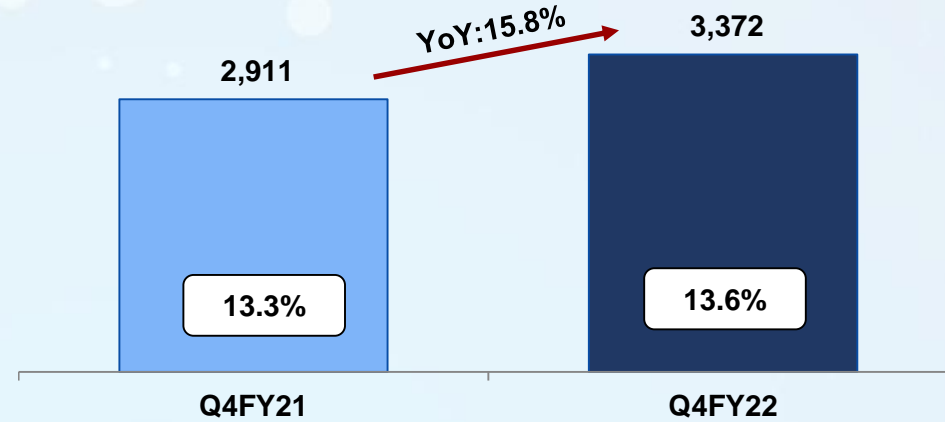
Key Financial Highlights – Q4FY22 (Consolidated)

All figures in ₹ mn

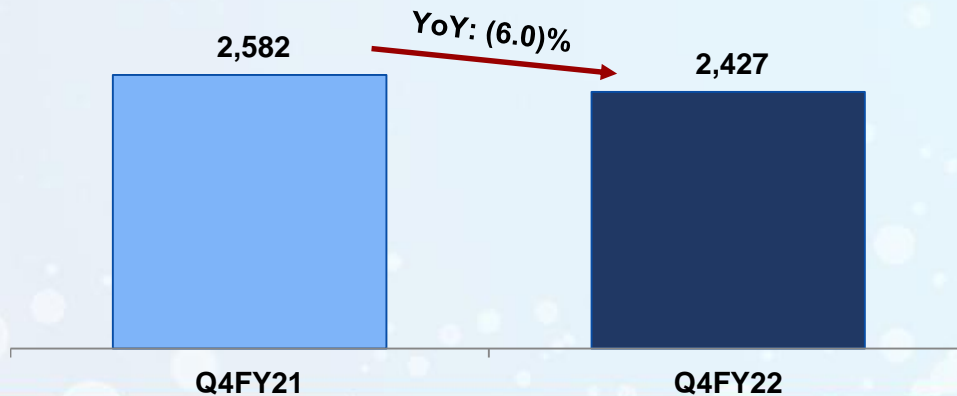
Gross Profit and Gross Margin



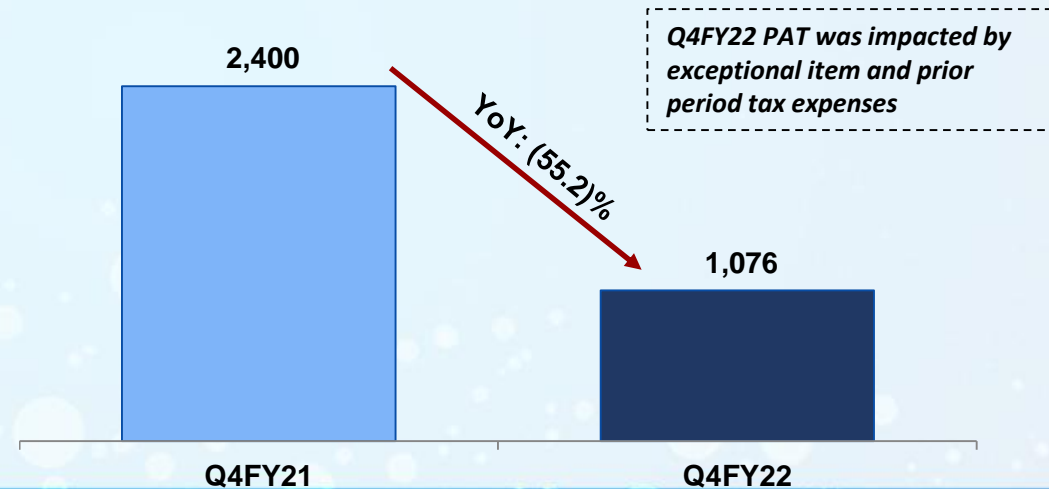
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)



Key Financial Highlights – FY22 (Consolidated)

All figures in ₹ mn

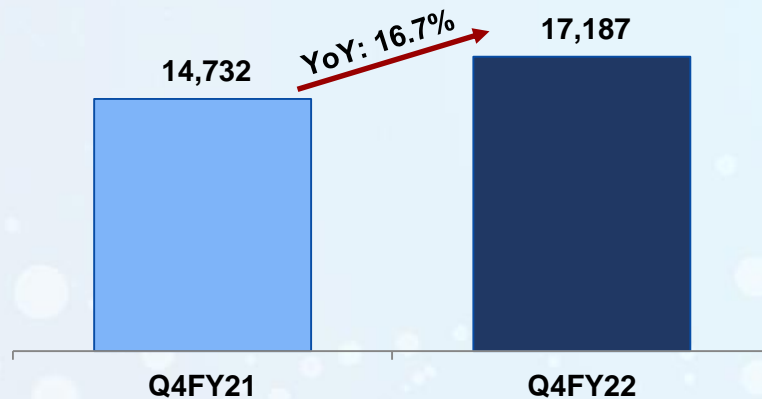
Particulars (₹ mn)	FY22	FY21	YoY growth
Revenue from Operations	106,342	88,650	20.0%
Gross Profit	64,539	53,665	20.3%
Gross Profit margin	60.7%	60.5%	
EBITDA	20,529	19,424	5.7%
EBITDA margin	19.3%	21.9%	
PBT	18,443	18,421	0.1%
PBT margin	17.3%	20.8%	
PAT (After Minority Interest)	16,456	15,850	3.8%
PAT margin	15.5%	17.9%	
EPS (₹ / share)	137.63	132.57	3.8%

India Business

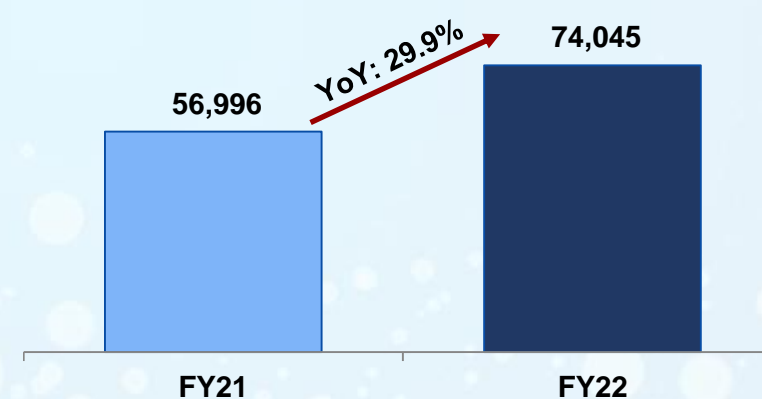
India Business: Q4FY22 Sales of ₹ 17,187 million (16.7% YoY growth)

- India sales contributed 69.9% to total sales in Q4FY22
- In Q4FY22, the Company's secondary sales grew by 15.3% YoY compared to IPM growth of 9.6% 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 FY22, 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 year, despite the high base of last financial year

Q4FY22 – India Sales (₹ mn)



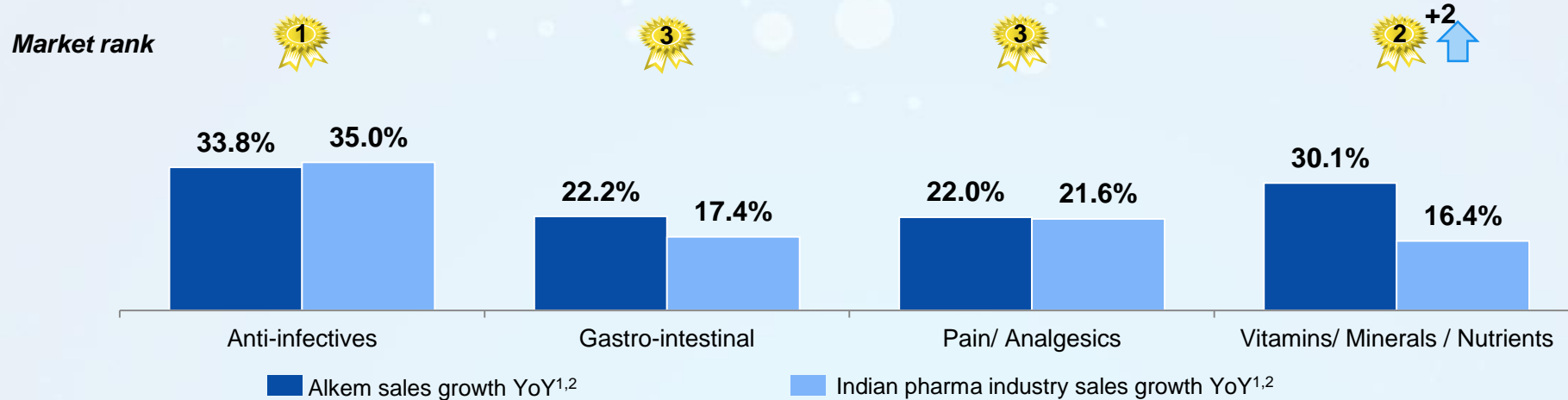
FY22 – India Sales (₹ mn)



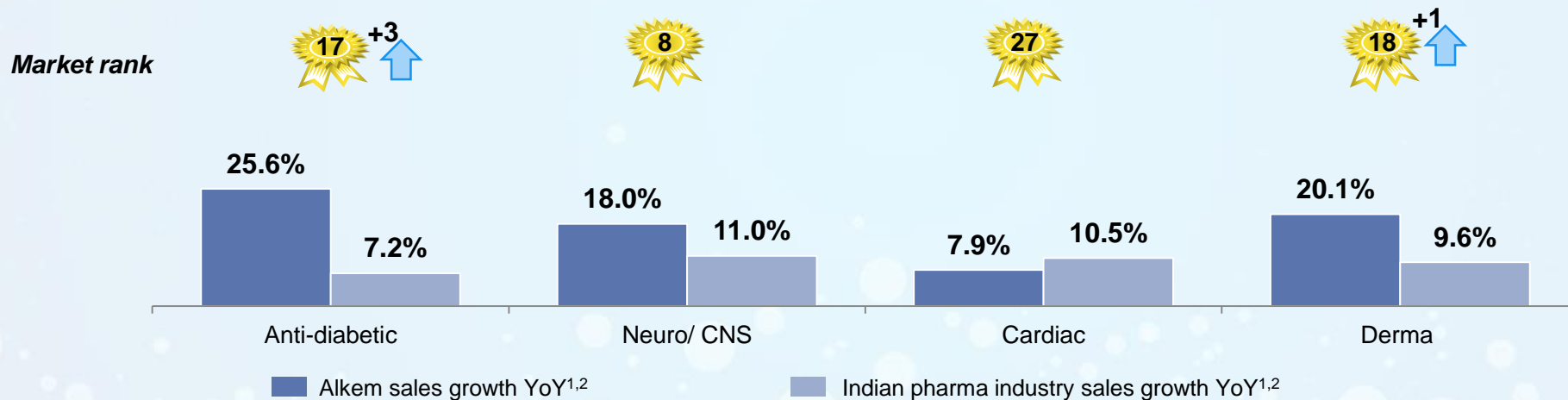
Secondary Sales Performance

Healthy growth across all the major therapeutic segments in FY22

Acute Therapies



Chronic Therapies



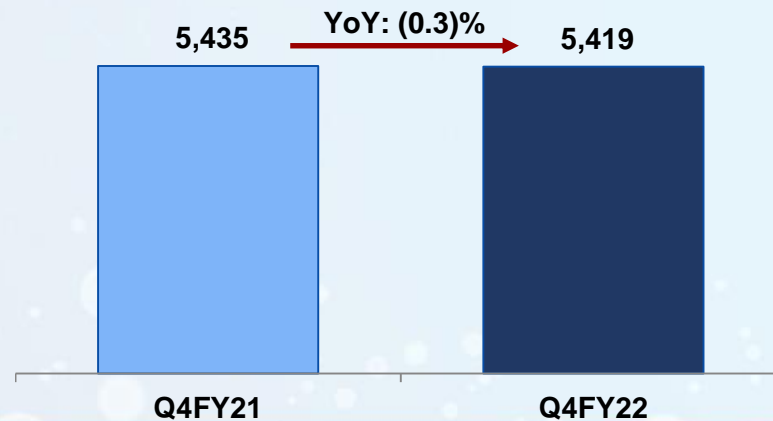
Source: IQVIA data ¹ Domestic formulations sales; ² For 12 months ended March 31, 2022

US Business

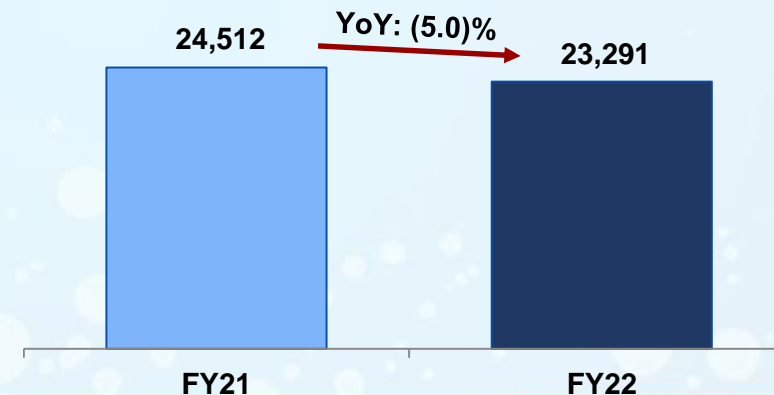
US Business: Q4FY22 Sales of ₹ 5,419 million (YoY decline of 0.3%)

- US sales contributed 22.0% to total sales in Q4FY22
- Growth during the quarter and year was impacted by significant pricing pressure in the US generic market
- During the quarter Q4FY22, the Company filed 6 ANDAs with the US FDA and received 3 final approvals
- As on March 31, 2022, the Company has filed a total of 163 ANDAs (including 2 NDAs) with the US FDA and has received 123 approvals (including 13 tentative approvals and 2 NDAs)
- All the six manufacturing facilities for the US market has an EIR, indicating successful closure of the US FDA inspection

Q4FY22 – US Sales (₹ mn)



FY22 – US Sales (₹ mn)



US Business

Update on US FDA inspections

Manufacturing facility	Capability	Last inspection	Status post last inspection
Taloja (India)	Bioequivalence Centre	April 2022	Successfully closed inspection without any observations
St. Louis (US)	Formulations	June 2021	Inspection is closed. EIR [#] received in March 2022
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

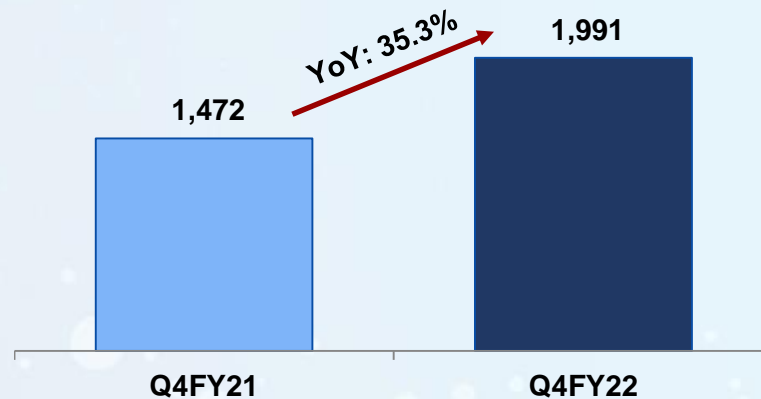
EIR – Establishment Inspection Report

Other International Business

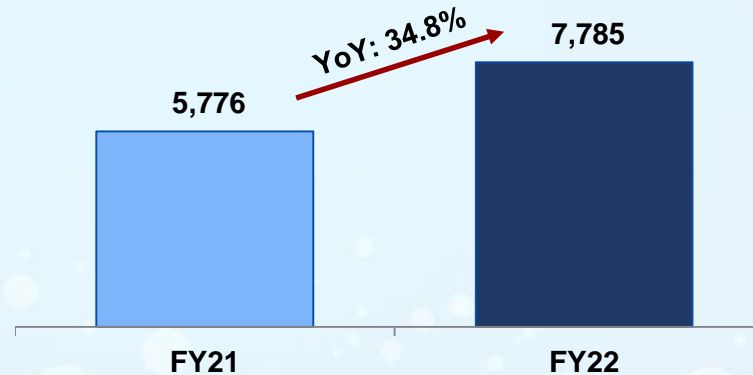
Other International Business: Q4FY22 Sales of ₹ 1,991 million (35.3% YoY growth)

- Other International Market sales contributed 8.1% to total sales in Q4FY22
- 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 Q4FY22 and FY22

Q4FY22 – Other International Sales
(₹ mn)

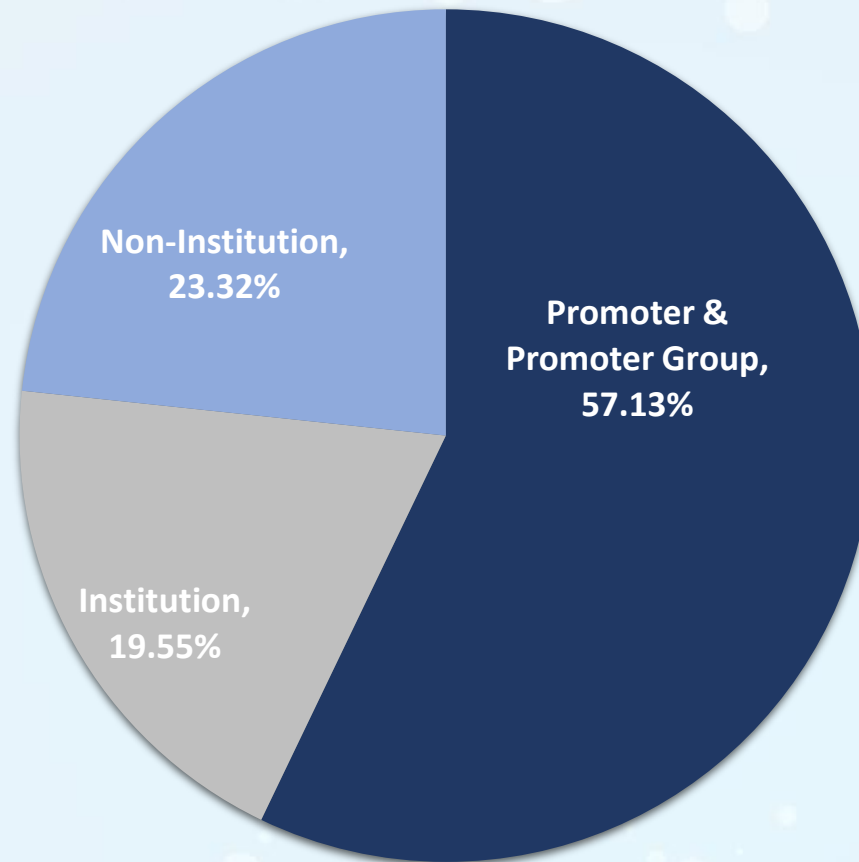


FY22 – Other International Sales
(₹ mn)



Latest Shareholding Pattern

Shareholding pattern as on March 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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