

Alkem Laboratories Ltd.

Investor Presentation Q4FY23
May 19, 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 FY23

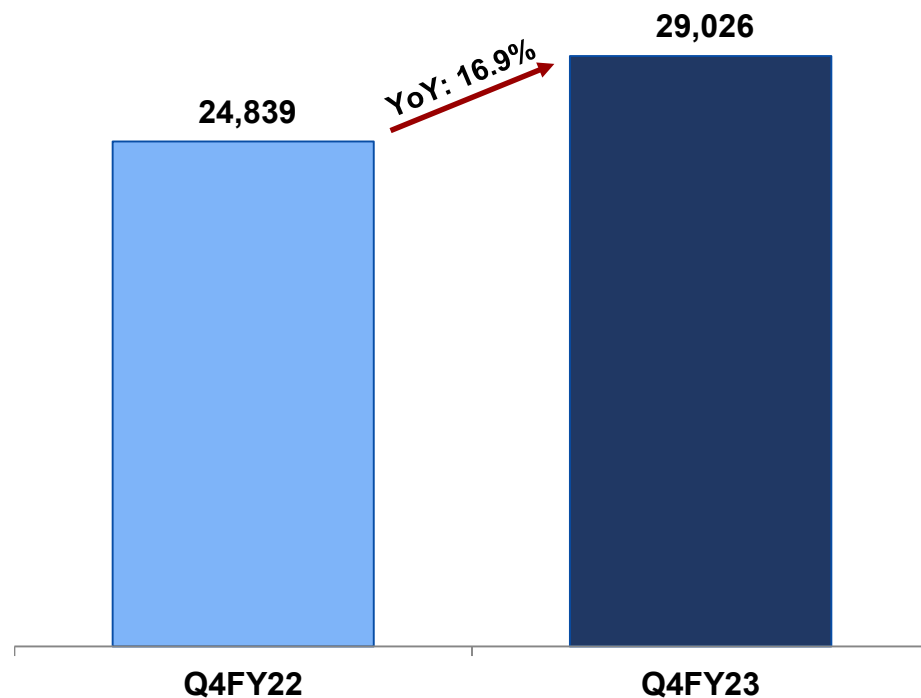
- **Revenue from Operation** grew by 9.1% during FY23, with EBITDA margin of 13.9% and Net Profit margin of 8.5%
- **India Business:** As per IQVIA, Company's sales in FY23 registered growth of 12.8% compared to IPM growth of 7.9%
 - Outperformed IPM growth by 498 basis points in FY23 gaining 18 basis points in market share [4.08% from 3.90%].
 - Unmatched leadership driving market share expansion across all acute therapies in FY23.
 - Prominent growth in anti-diabetic, CNS and urology gaining two rank in these therapies in FY23.
 - Trade generic business delivered incremental growth despite a large base.
- **US Business** saw significant pricing pressure during the year leading to marginal de-growth in term of constant currency.
- **R&D expenses** for FY23 was ₹5.4 billion at 4.7% of revenue from operations
- **Enzene Bio-sciences**
 - Increased offtake in already launched product due to market expansion and addition of commercialisation Partners.
 - Received approval for 3 mAbs in FY 23 - Adalimumab, Cetuximab and Bevacizumab.
- **Generated significant cash flow of ₹11.8 billion** resulting in net cash of ₹21.4 billion as on March 31, 2023.

Key Financial Highlights – Q4FY23 (Consolidated)

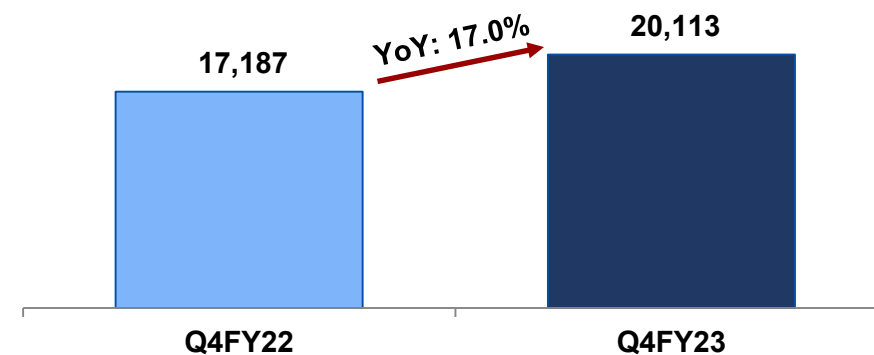


All figures in ₹ mn

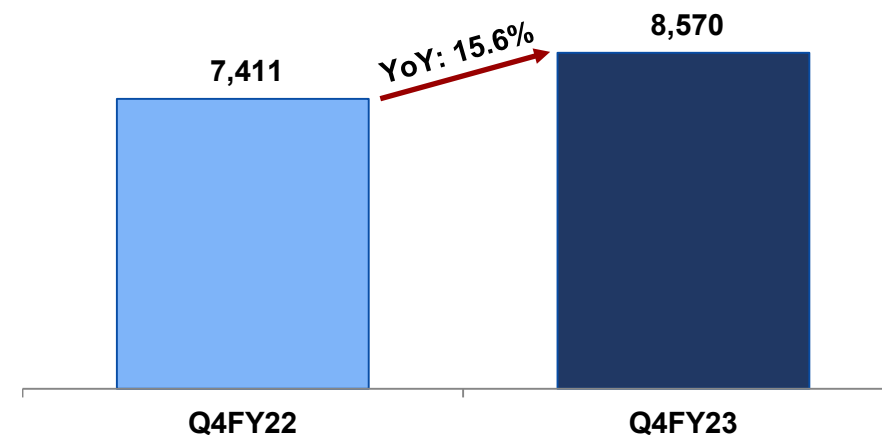
Revenue from Operations



India sales



International sales

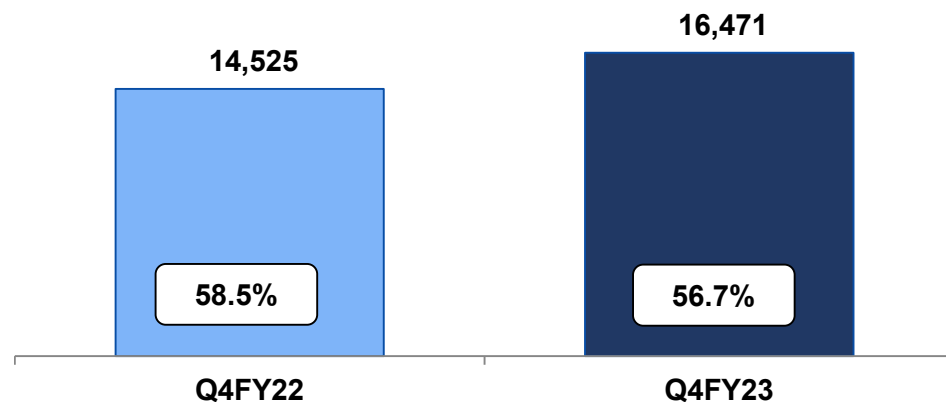


Key Financial Highlights – Q4FY23 (Consolidated)

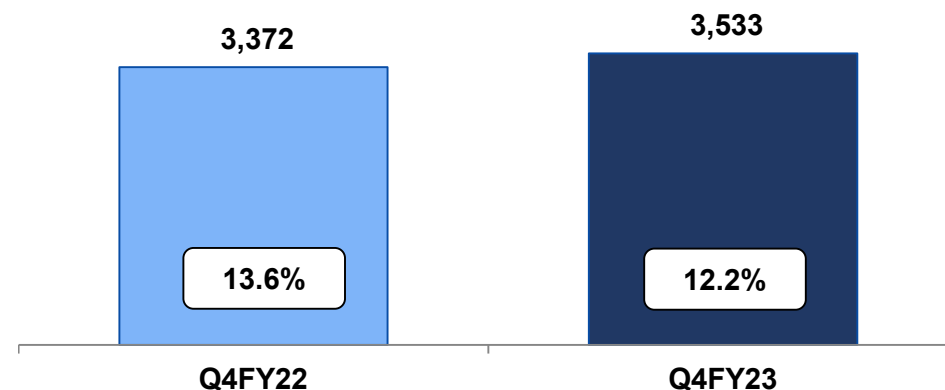


All figures in ₹ mn

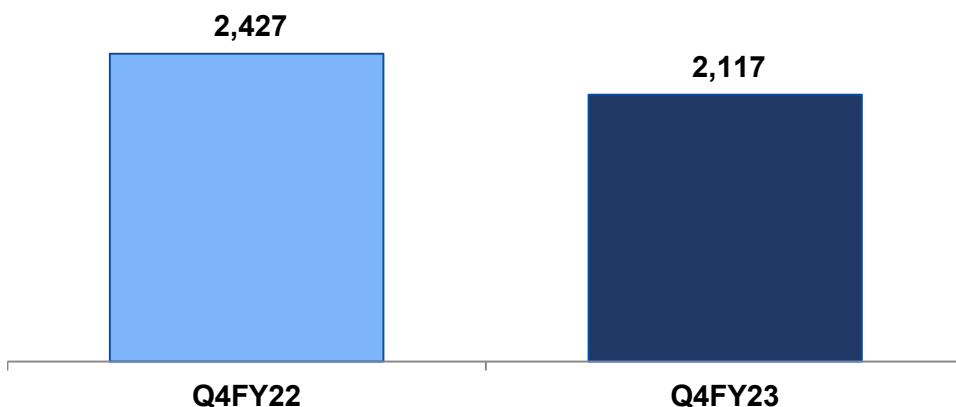
Gross Profit and Gross Margin



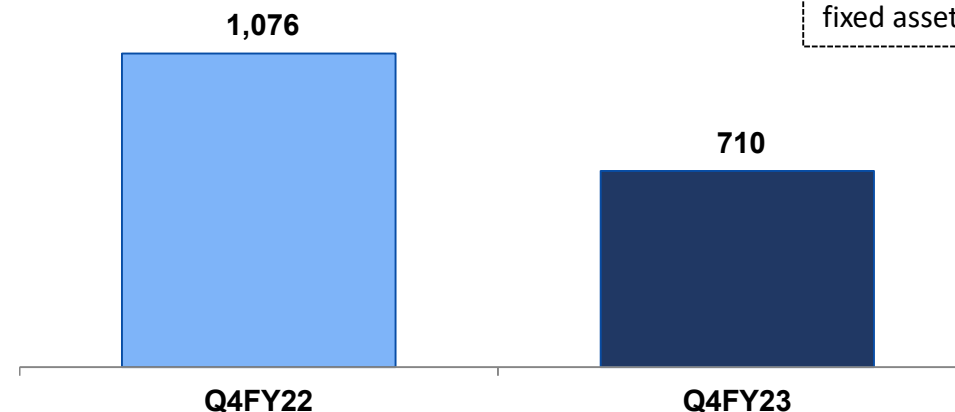
EBITDA and EBITDA Margin



PBT (after exceptional item)



PAT (after Minority Interest)



Q4FY23 was impacted by exceptional item on account of impairment of fixed assets.

Key Financial Highlights – FY23 (Consolidated)



All figures in ₹ mn

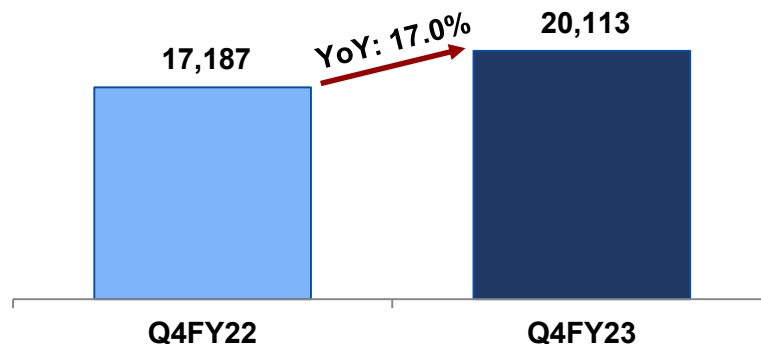
Particulars (₹ mn)	FY23	FY22	YoY growth
Revenue from Operations	115,993	106,342	9.1%
Gross Profit	66,924	64,539	3.7%
Gross Profit margin	57.7%	60.7%	
EBITDA	16,095	20,529	-21.6%
EBITDA margin	13.9%	19.3%	
PBT before exceptional item	14,078	18,592	-24.3%
Exceptional Item	(1,030)	(150)	
PBT after exceptional item	13,048	18,443	-29.3%
PBT margin	11.2%	17.3%	
PAT (After Minority Interest)	9,842	16,456	-40.2%
PAT margin	8.5%	15.5%	
EPS (₹ / share)	82.31	137.63	-40.2%

India Business

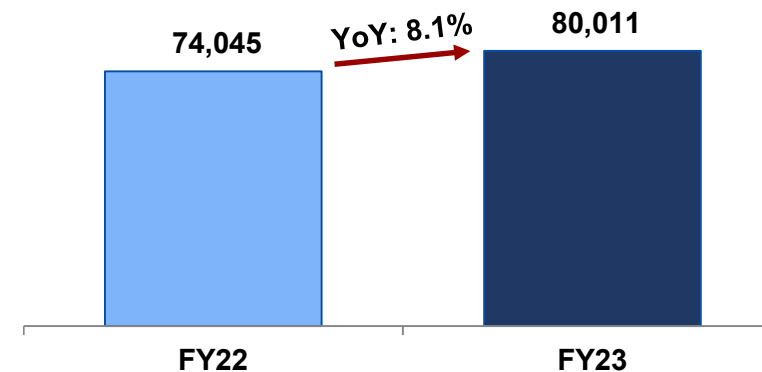
India Business: Q4FY23 Sales of ₹ 20,113 million (17.0% YoY growth)

- India sales contributed 70.1% to total sales in Q4FY23
- As per IQVIA, In Q4FY23, the Company's secondary sales grew by 22.5% significantly outperforming IPM growth of 14.9% YoY.
- Exceptional performance across all major acute therapies in Q4FY23 led by anti-infectives, gastrointestinal and pain management segment.
- Moved up 4 ranks in anti-diabetic, 3 ranks in urology, 2 ranks in Neuro / CNS and 1 rank in Derma growing in excess of 3X market growth.
- Trade Generic business delivered good growth despite large base of last year.

Q4FY23 – India Sales (₹ mn)



FY23 – India Sales (₹ mn)



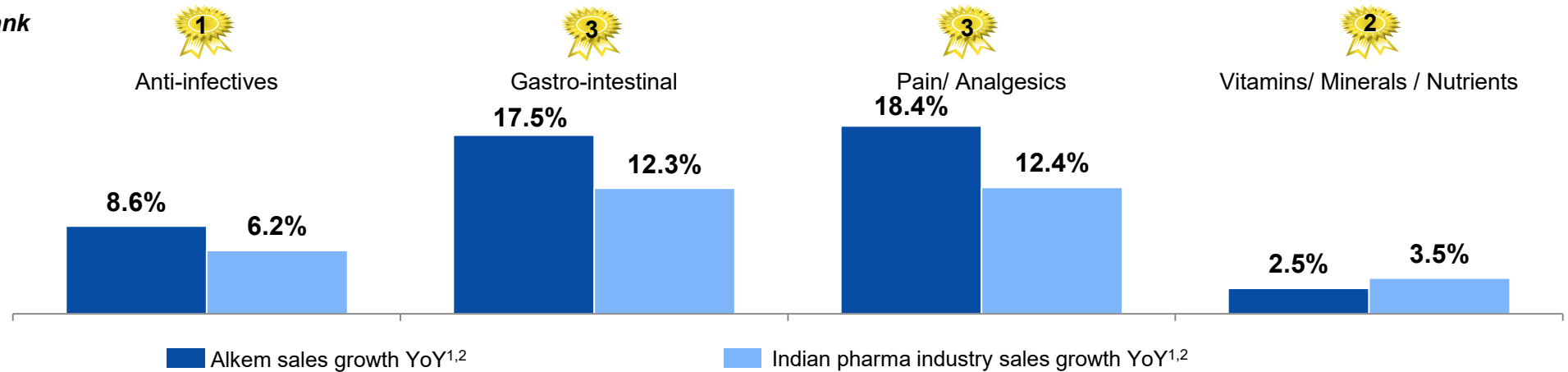
Secondary Sales Performance



Exemplary Performance in Almost Every Therapy in FY23

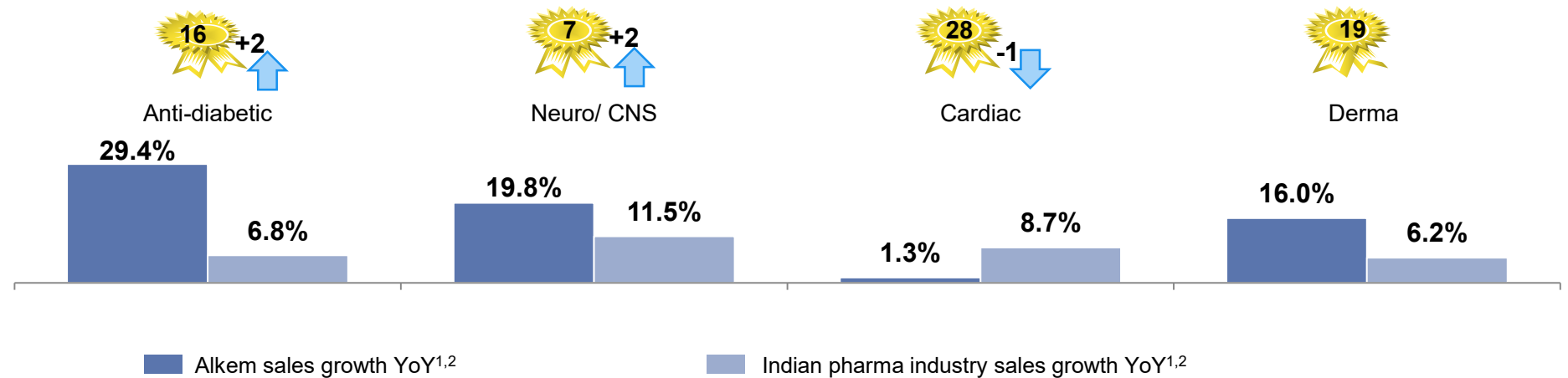
Acute Therapies

Market rank



Chronic Therapies

Market rank



Source: IQVIA data ¹ Domestic formulations sales; ² For 12 months ended March 31, 2023

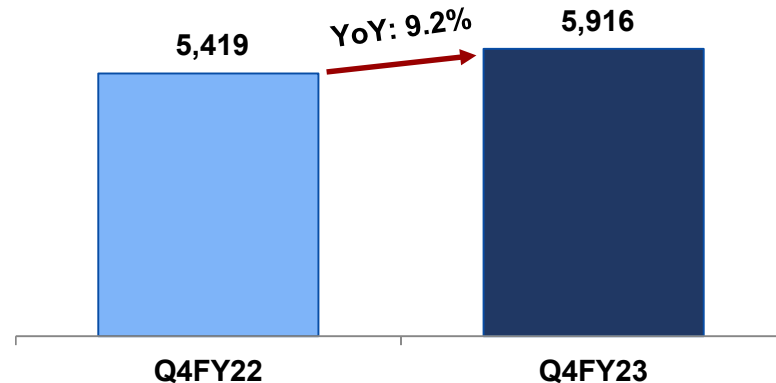
US Business



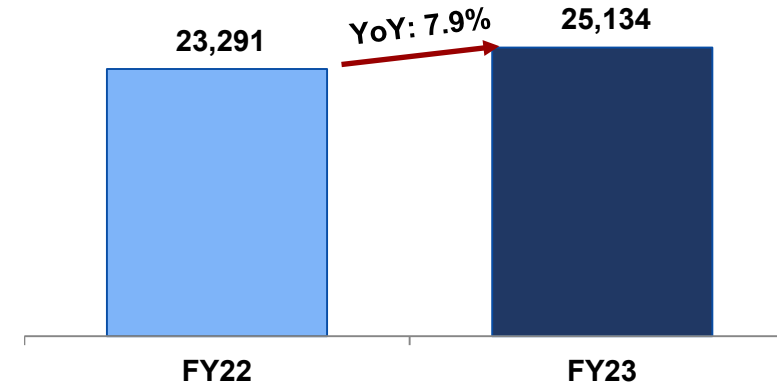
US Business: Q4FY23 Sales of ₹ 5,916 million (9.2% YoY growth)

- US sales contributed 20.6% to total sales in Q4FY23
- During the quarter, the US business registered growth in ₹ terms mainly on account of currency depreciation.
- In Q4FY23, the Company filed 4 ANDAs with the US FDA and received 3 tentative approvals.
- As on March 31, 2023, the Company filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 132 ANDAs (including 17 tentative approvals) and 2 NDAs.

Q4FY23 – US Sales (₹ mn)



FY23 – US Sales (₹ mn)



US Business



Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Successfully closed inspection without any observations.
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

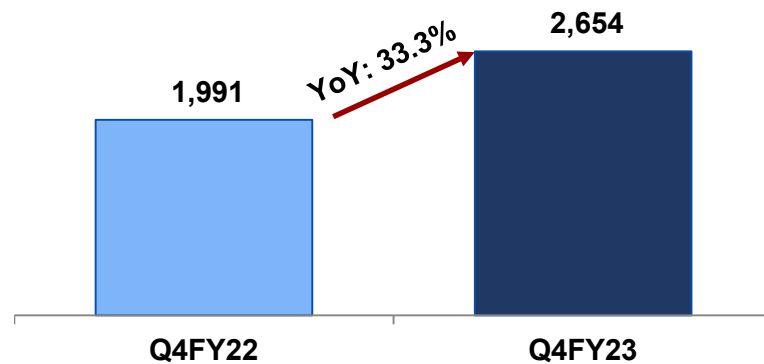
EIR – Establishment Inspection Report

Other International Business

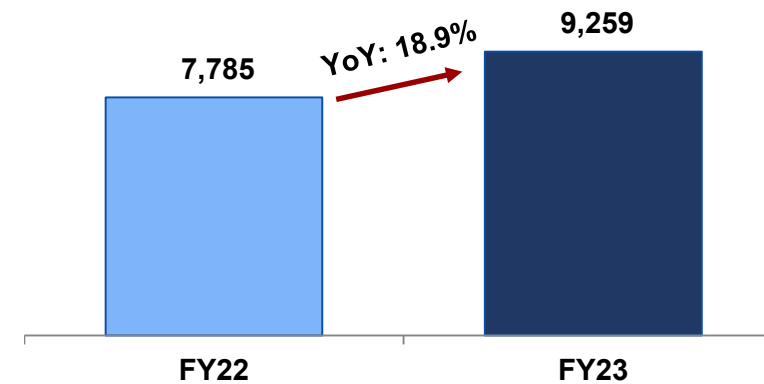
Other International Business: Q4FY23 Sales of ₹ 2,654 million (33.3% YoY growth)

- Other International Market sales contributed 9.3 % to total sales in Q4FY23
- The Company has presence in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, Philippines, Kazak and UK registered good growth in FY23.

Q4FY23 – Other International Sales
(₹ mn)



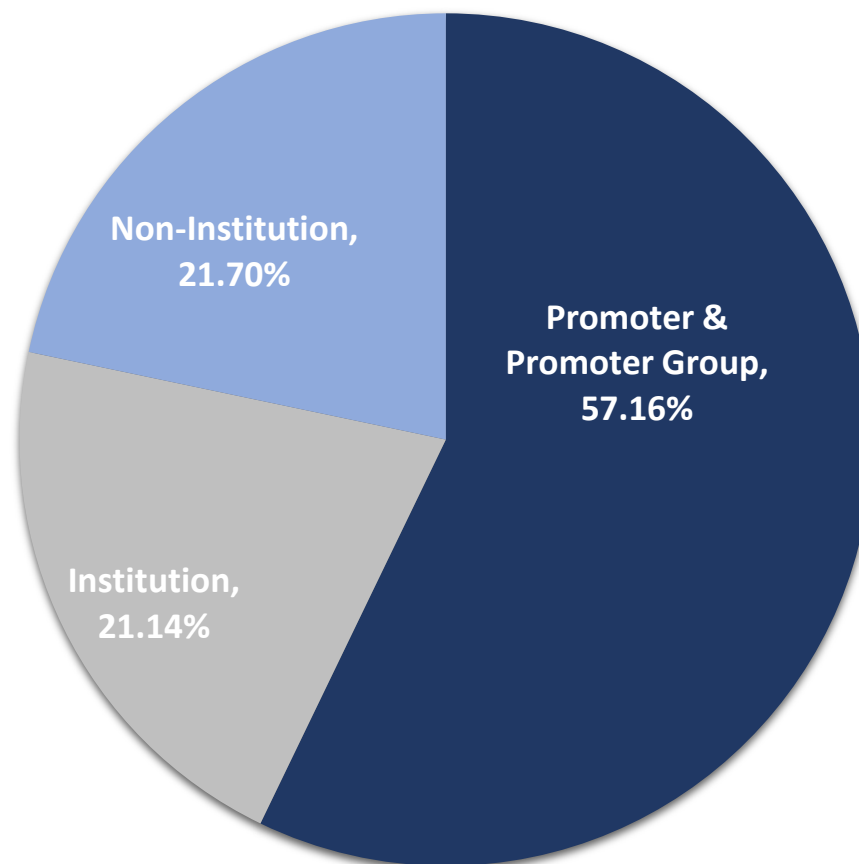
FY23 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on March 31, 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

Amit Kumar Khandelia

AVP Finance

Tel: +91 22 3982 9999

E-mail: amit.khandelia@alkem.com