

**ALKEM LABORATORIES LTD.**

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

04th February, 2022

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
---	--

Dear Sirs,

Sub: Press Release and Analyst Presentation on Q3FY22 and 9MFY22 Results

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q3FY22 and 9MFY22 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take note of the same.

Sincerely,
For **Alkem Laboratories Limited**


Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

Press Release

Alkem reports Q3FY22 and 9MFY22 results

Mumbai, February 4, 2022: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the third quarter and nine months ended December 31, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q3FY22 financial performance

- Total Revenue from Operations was ₹ 26,190 million, year-on-year growth of 13.0%
 - India sales were ₹ 18,156 million, year-on-year growth of 19.9%
 - International sales were ₹ 7,709 million, year-on-year decline of 0.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 4,985 million, resulting in EBITDA margin of 19.0% vs. 22.8% in Q3FY21. EBITDA declined by 5.8% YoY
- R&D expenses for the quarter was ₹ 1,449 million, or 5.5% of total revenue from operations compared to ₹ 1,335 million in Q3FY21 at 5.8% of total revenue from operations
- Profit before tax (PBT) was ₹ 4,639 million, a decline of 14.6% compared to Q3FY21
- Net Profit (after Minority Interest) was ₹ 5,257 million, year-on-year growth of 16.6%

Key highlights of 9MFY22 financial performance

- Total Revenue from Operations was ₹ 81,503 million, year-on-year growth of 22.1%
 - India sales were ₹ 56,858 million, year-on-year growth of 34.5%
 - International sales were ₹ 23,664 million, year-on-year growth of 1.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 17,157 million, resulting in EBITDA margin of 21.1% vs. 24.7% in 9MFY21. EBITDA grew by 3.9% YoY
- R&D expenses for 9MFY22 was ₹ 4,039 million, or 5.0% of total revenue from operations compared to ₹ 3,914 million in 9MFY21 at 5.9% of total revenue from operations
- Profit before tax (PBT) was ₹ 16,016 million, a growth of 1.1% compared to 9MFY21
- Net Profit (after Minority Interest) was ₹ 15,380 million, year-on-year growth of 14.3%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“Our India branded business delivered yet another quarter of market beating performance led by our acute portfolio which partly benefited from the COVID-19 tailwinds. Even our trade generic business continued its healthy growth momentum despite the high base of last year. However, our US business continues to face significant pricing pressure, which we are trying to mitigate through new product launches. We have generated healthy free cashflows during year which has further strengthen our balance sheet with net cash position of about ₹ 15bn.”*



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

Operational Highlights

Domestic Business

In Q3FY22, the Company's India sales grew by 19.9% YoY, recording sales of ₹ 18,156 million as compared to ₹ 15,140 million in Q3FY21. For 9MFY22, the Company's India sales was ₹ 56,858 million compared to ₹ 42,264 million in 9MFY21 – growth of 34.5% YoY.

As per secondary sales data by IQVIA for the quarter ended December 31, 2021, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 16.0% YoY compared to IPM growth of 10.4% YoY. Even for 9MFY22, the Company outperformed the IPM with growth of 31.7% YoY compared to IPM growth of 21.1% YoY. This outperformance was largely driven by acute therapies like anti-infectives, gastro intestinal, vitamins/minerals/nutrients and pain management which witnessed a good growth during the first nine month of the financial year partly helped by COVID-19 tailwinds. During the financial year, Company's chronic therapies of neuro / CNS, anti-diabetes, cardiac and derma also grew faster than the segment growth rate, thereby gaining market share and improving their market rankings. Company's recent foray in the respiratory segment has also seen encouraging response with higher than market growth rate. Company's trade generic business continued its healthy growth during Q3FY22 and 9MFY22 despite the high base of the last financial year.

The performance highlights of the key therapeutic segments in Q3FY22 and 9MFY22 are as shown in the table below:

Key Therapy segment	Q3FY22				9MFY22			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	15.2%	17.2%	1	Unchanged	40.0%	41.5%
Gastro Intestinal	3	Unchanged	21.2%	12.8%	3	Unchanged	21.3%	20.3%
Pain / Analgesics	3	Unchanged	15.4%	16.3%	3	Unchanged	25.9%	24.4%
VMN**	2	+1	12.1%	5.3%	3	+1	33.8%	19.0%
Neuro / CNS	8	Unchanged	8.5%	10.5%	8	+2	27.7%	12.3%
Derma	17	Unchanged	11.7%	3.9%	18	Unchanged	32.0%	12.1%
Cardiac	27	Unchanged	2.3%	7.8%	27	Unchanged	12.0%	11.5%
Anti-Diabetic	17	+2	27.2%	6.2%	18	+2	29.6%	8.0%
Total	5	Unchanged	16.0%	10.4%	5	Unchanged	31.7%	21.1%

*Positive change in rank reflects improvement over same period previous year

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

International Business

In Q3FY22, the Company's International sales declined by 0.4% YoY, recording sales of ₹ 7,709 million as compared to ₹ 7,738 million in Q3FY21. For 9MFY22, the Company's International sales grew by 1.2% to ₹ 23,664 million compared to ₹ 23,381 million in 9MFY21.



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

- **US sales** for the quarter was ₹ 5,731 million compared to ₹ 6,156 million in Q3FY21, recording a year-on-year decline of 6.9%. For 9MFY22, US sales was ₹ 17,871 million, compared to ₹ 19,078 million in 9MFY21 - a year-on-year decline of 6.3% YoY.
- **Other International Markets sales** for the quarter was ₹ 1,978 million compared to ₹ 1,582 million in Q3FY21, recording a year-on-year growth of 25.0%. For 9MFY22, Other International Markets sales was ₹ 5,793 million compared to ₹ 4,303 million in 9MFY21 - a year-on-year growth of 34.6% YoY.

R&D Investments

During the quarter, the Company filed 1 abbreviated new drug applications (ANDAs) with the US FDA and received 6 approvals (including 1 tentative approvals). For 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 158 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 122 ANDAs (including 15 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Taloja (India)	Bioequivalence Centre	July 2021	Successfully closed inspection without any observations
St. Louis (US)	Formulations	June 2021	Received 2 observations. 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	EIR# received in March 2020, thereby successfully closing the inspection
Daman (India)	Formulations	August 2019	EIR# received in October 2019, thereby successfully closing the inspection
California (US)	APIs	August 2018	Successfully closed inspection without any observations. EIR received in October 2018
Ankleshwar (India)	APIs	December 2016	EIR# received in March 2017, thereby successfully closing the inspection
Mandva (India)	APIs	September 2015	EIR# received in March 2016, thereby successfully closing the inspection

EIR -- Establishment Inspection Report



ALKEM LABORATORIES LTD.

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

Q3FY22 and 9MFY22 Conference Call at 8:00pm IST, February 4, 2022

Alkem will organize a conference call for investors and analysts on Friday, February 4, 2022 from 8:00 pm to 9:00 pm IST to discuss its Q3FY22 and 9MFY22 financial results.

Alkem will be represented on the call by Mr. Rajesh Dubey, Chief Financial Officer and the senior management team.

Motilal Oswal Securities Ltd. will host the call.

Details of the conference call are as under:

Time: 8:00 pm IST (GMT + 5:30) on Friday, February 4, 2022

Dial in Details:

India : +91 22 6280 1149 / +91 22 7115 8050

International Toll Free

USA : 1 866 746 2133

UK : 0 808 101 1573

Singapore : 800 101 2045

Hong Kong : 800 964 448

Express Join with Diamond Pass

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=7734368&linkSecurityString=1f6089c600>

You are requested to dial in 10 mins ahead of the scheduled start time. A transcript of this conference call will also be available on our website www.alkemlabs.com

About Alkem Laboratories Ltd.

Established in 1973 and headquartered in Mumbai, Alkem (NSE: ALKEM, BSE: 539523, Bloomberg: ALKEM.IN, Reuters: ALKE.NS) is a leading Indian pharmaceutical company with global operations, engaged in the development, manufacture and sale of pharmaceutical and nutraceutical products. The Company produces branded generics, generic drugs, active pharmaceutical ingredients (APIs) and nutraceuticals, which it markets in India and International markets. With a portfolio of more than 800 brands in India, Alkem is ranked the fifth largest pharmaceutical company in India in terms of domestic sales (Source: IQVIA March 2021). The Company also has presence in more than 40 international markets, with the United States being its key focus market.

For more information on Alkem Laboratories Ltd., please visit www.alkemlabs.com

For further information or queries, please contact

Gagan Borana

Investor Relations

Tel: +91 22 3982 9960 / Mobile: +91 98190 56333

E-mail: gagan.borana@alkem.com