

**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](mailto:contact@alkem.com) • Website: [www.alkemlabs.com](http://www.alkemlabs.com)
- CIN: L00305MH1973PLC174201

12<sup>th</sup> November, 2021

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

**Sub: Press Release and Analyst Presentation on Q2FY22 Results and H1FY22 Results**

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q2FY22 and H1FY22 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



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### **Press Release**

#### **Alkem reports Q2FY22 and H1FY22 results**

**Mumbai, November 12, 2021:** Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the second quarter and six months ended September 30, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

#### **Key highlights of Q2FY22 financial performance**

- Total Revenue from Operations was ₹ 28,000 million, year-on-year growth of 18.5%
  - India sales were ₹ 19,605 million, year-on-year growth of 25.9%
  - International sales were ₹ 8,052 million, year-on-year growth of 3.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 6,244 million, resulting in EBITDA margin of 22.3% vs. 25.4% in Q2FY21. EBITDA grew by 4.0% YoY
- R&D expenses for the quarter was ₹ 1,407 million, or 5.0% of total revenue from operations compared to ₹ 1,393 million in Q2FY21 at 5.9% of total revenue from operations
- Profit before tax (PBT) was ₹ 5,815 million, a growth of 6.2% compared to Q2FY21
- Net Profit (after Minority Interest) was ₹ 5,443 million, year-on-year growth of 15.3%

#### **Key highlights of H1FY22 financial performance**

- Total Revenue from Operations was ₹ 55,314 million, year-on-year growth of 27.0%
  - India sales were ₹ 38,702 million, year-on-year growth of 42.7%
  - International sales were ₹ 15,955 million, year-on-year growth of 2.0%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 12,172 million, resulting in EBITDA margin of 22.0% vs. 25.8% in H1FY21. EBITDA grew by 8.5% YoY
- R&D expenses for H1FY22 was ₹ 2,590 million, or 4.7% of total revenue from operations compared to ₹ 2,579 million in H1FY21 at 5.9% of total revenue from operations
- Profit before tax (PBT) was ₹ 11,377 million, a growth of 9.3% compared to H1FY21
- Net Profit (after Minority Interest) was ₹ 10,124 million, year-on-year growth of 13.2%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“First six months of the financial year has been a very healthy period for the Company’s India business with over 40% YoY growth mainly driven by the acute therapies. Even in chronic therapies and trade generic business, the Company continues to grow ahead of the market. In the US business, new product launches have helped to offset significant pricing pressure in the base business. Our continuous efforts towards cost optimization and driving process efficiencies are also showing good results with improvement in profitability.”*



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### Operational Highlights

#### Domestic Business

In Q2FY22, the Company's India sales grew by 25.9% YoY, recording sales of ₹ 19,605 million as compared to ₹ 15,574 million in Q2FY21. For H1FY22, the Company's India sales was ₹ 38,702 million compared to ₹ 27,124 million in H1FY21 – growth of 42.7% YoY.

As per secondary sales data by IQVIA for the quarter ended September 30, 2021, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 25.1% YoY compared to IPM growth of 15.4% YoY. Even for H1FY22, the Company outperformed the IPM with growth of 40.4% YoY compared to IPM growth of 26.4% YoY. This outperformance was mainly driven by acute therapies like anti-infectives, vitamins/minerals/nutrients and pain management which witnessed a good volume growth during the first six month of 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. The Company continues to feature amongst the top five companies in the Indian pharmaceutical market. The Company has 16 brands which feature amongst the top 300 brands in IPM and have 13 brands with annual sales of over ₹ 1bn. Company's trade generic business also delivered healthy growth during Q2FY22 and H1FY22.

The performance highlights of the key therapeutic segments in Q2FY22 and H1FY22 are as shown in the table below:

Key Therapy segment	Q2FY22				H1FY22			
	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	32.8%	30.6%	1	Unchanged	54.9%	55.5%
Gastro Intestinal	3	Unchanged	11.6%	14.6%	3	Unchanged	21.3%	23.4%
Pain / Analgesics	3	Unchanged	22.2%	21.9%	4	-1	31.5%	28.3%
VMN**	2	+2	16.0%	8.2%	2	+2	45.2%	25.5%
Neuro / CNS	8	+2	38.2%	12.3%	8	+3	38.6%	12.9%
Derma	14	+3	40.8%	9.4%	19	-1	45.0%	16.0%
Cardiac	27	-1	10.0%	6.9%	27	-1	17.2%	13.0%
Anti-Diabetic	18	+2	27.8%	5.7%	19	+2	30.9%	8.5%
<b>Total</b>	<b>4</b>	<b>+1</b>	<b>25.1%</b>	<b>15.4%</b>	<b>5</b>	<b>Unchanged</b>	<b>40.4%</b>	<b>26.4%</b>

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

\*\*VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

#### International Business

In Q2FY22, the Company's International sales grew by 3.4% YoY, recording sales of ₹ 8,052 million as compared to ₹ 7,790 million in Q2FY21. For H1FY22, the Company's International sales grew by 2.0% to ₹ 15,955 million compared to ₹ 15,643 million in H1FY21.



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- **US sales** for the quarter was ₹ 6,097 million compared to ₹ 6,528 million in Q2FY21, recording a year-on-year decline of 2.6%. For H1FY22, US sales was ₹ 12,140 million, compared to ₹ 12,921 million in H1FY21 - a year-on-year decline of 6.0% YoY.
- **Other International Markets sales** for the quarter was ₹ 1,954 million compared to ₹ 1,532 million in Q2FY21, recording a year-on-year growth of 27.5%. For H1FY22, Other International Markets sales was ₹ 3,815 million compared to ₹ 2,722 million in H1FY21 - a year-on-year growth of 40.2% YoY.

### R&D Investments

During the quarter, the Company filed 6 abbreviated new drug applications (ANDAs) with the US FDA and received 7 approvals (including 2 tentative approvals). For H1FY22, the Company filed 8 ANDAs with the US FDA and received 12 approvals (including 2 tentative approvals).

As on September 30, 2021, the Company has filed a total of 157 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 116 ANDAs (including 14 tentative approvals) and 2 NDAs.

### Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
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 <sup>#</sup> received in March 2020, thereby successfully closing the inspection
Daman (India)	Formulations	August 2019	EIR <sup>#</sup> received in October 2019, thereby successfully closing the inspection
California (US)	APIs	August 2018	Successfully closed without any observations. EIR received in October 2018
Ankleshwar (India)	APIs	December 2016	EIR <sup>#</sup> received in March 2017, thereby successfully closing the inspection
Mandva (India)	APIs	September 2015	EIR <sup>#</sup> received in March 2016, thereby successfully closing the inspection

# EIR – Establishment Inspection Report

The US FDA had also conducted a remote and virtual Bio-Analytical inspection of the Company's Bioequivalence Center located at Taloja, Maharashtra from 26 to 28 July, 2021. At the end of the inspection, no Form 483 was issued.



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### **Q2FY22 and H1FY22 Conference Call at 8:00pm IST, November 12, 2021**

Alkem will organize a conference call for investors and analysts on Friday, November 12, 2021 from 8:00 pm to 9:00 pm IST to discuss its Q2FY22 and H1FY22 financial results.

Alkem will be represented on the call by Mr. Sandeep Singh, Managing Director 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, November 12, 2021

#### **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=5628564&linkSecurityString=1603896b58>

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](http://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](http://www.alkemlabs.com)

#### **For further information or queries, please contact**

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Investor Relations

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