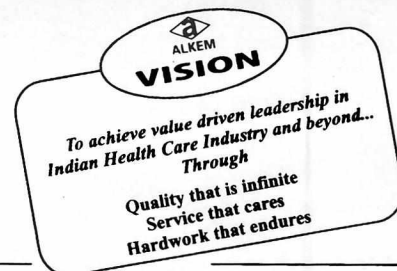




**ALKEM**

**ALKEM LABORATORIES LTD.**

**Regd. Office :** " ALKEM HOUSE", Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013. Phone : 022-3982 9999, Fax : 022-2495 2955  
Email : [contact@alkem.com](mailto:contact@alkem.com) Website : [www.alkemlabs.com](http://www.alkemlabs.com)  
CIN :- L00305MH1973PLC174201



**Press Release**

**Alkem reports Q4FY18 and FY18 Results**

**Mumbai, May 30, 2018:** Alkem Laboratories Ltd (Alkem) today announced its consolidated financial results for fourth quarter & twelve months ending March 31, 2018. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

**Key highlights of Q4FY18 financial performance** (Refer Notes below)

- Total Revenue from Operations was Rs.15,132 million, year-on-year growth of 20.9%
  - India sales were Rs.9,602 million, year-on-year growth of 12.1%
  - International sales were Rs.5,236 million, year-on-year growth of 35.9%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.1,138 million, resulting in EBITDA margin of 7.5% vs. 11.9% in Q4FY17. Other Expenses for Q4FY18 and FY18 includes Rs.283 million and Rs.263 million respectively on account of net loss on fair valuation of current investments, including loss of Rs.369 million and Rs.380 million respectively on account of fair valuation of investment in real estate fund as per report of independent valuers
- R&D expenses for the quarter was Rs.1,117 million, or 7.4% of total revenue from operations compared to Rs.915 million in Q4FY17 at 7.3% of total revenue from operations
- Profit before tax (PBT) was Rs.809 million, compared to Rs.1,361 million in Q4FY17
- Net Profit (after Minority Interest) was Rs.671 million, compared to Rs.1,370 million in Q4FY17
- During the quarter, the Company utilized its previously derecognised MAT credit amounting to Rs.218 million. Thus the current tax charge for Q4FY18 is after MAT credit

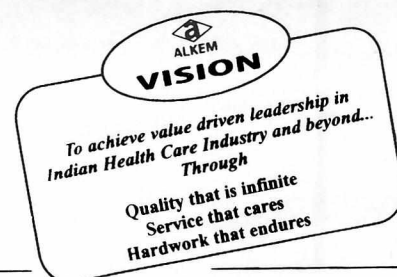
**Key highlights of FY18 financial performance** (Refer Notes below)

- Total Revenue from Operations was Rs.64,312 million, year-on-year growth of 9.9%
  - India sales were Rs.44,900 million, year-on-year growth of 6.5%
  - International sales were Rs.18,336 million, year-on-year growth of 17.1%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.10,284 million, resulting in EBITDA margin of 16.0% vs. 17.1% in FY17. Other Expenses includes net loss on fair valuation of current investments as discussed above
- R&D expenses for FY18 was Rs.3,646 million, or 5.7% of total revenue from operations compared to Rs.3,204 million in FY17 at 5.5% of total revenue from operations
- Profit before tax (PBT) was Rs.9,260 million, compared to Rs.9,646 million in FY17
- Net Profit (after Minority Interest) was Rs.6,309 million, compared to Rs.8,920 million in FY17
- Tax expenses in FY18 includes one-off charge of Rs.449 million (accounted in Q3FY18) on account of significant changes to the US corporate income tax system and utilization of previously derecognised MAT credit amounting to Rs.218 million (accounted in Q4FY18)

Notes: Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017 and as per Ind AS 18, Revenue from operations is disclosed net of GST. Revenue from operations for the quarter and for the year ended March 31, 2017 included excise duty which is now subsumed under GST. Revenue from operations for the year ended March 31, 2018 includes excise duty up to June 30, 2017. Accordingly, revenue from operations for the quarter and year ended March 31, 2018 are not strictly comparable with those of the previous periods presented.

**ALKEM****ALKEM LABORATORIES LTD.**

**Regd. Office :** " ALKEM HOUSE", Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013. Phone : 022-3982 9999, Fax : 022-2495 2955  
Email : contact@alkem.com Website : www.alkemlabs.com  
CIN :- L00305MH1973PLC174201



*Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "I am pleased with the progress that the Company has made in FY18 which otherwise has been a challenging year for the pharma industry. Adjusting for the GST impact, our domestic business registered a healthy double digit growth which was well complemented by our International business growing in high teens. To sustain this performance going forward, we continue to invest in our people, capabilities and infrastructure to build levers for future growth."*

**Operational Highlights****Domestic Business**

Our Domestic sales for Q4FY18 grew by 12.1% YoY, recording a sales of Rs.9,602 million as compared to Rs.8,563 million for Q4FY17. For FY18, our Domestic sales grew by 6.5% YoY to Rs.44,900 million compared to Rs.42,153 million in FY17. Adjusting for the impact of GST, like-to-like YoY growth was higher for the quarter and twelve months ended March 31, 2018.

As per IMS Data, for the quarter ended March 31, 2018, we grew by 16.6% YoY compared to IPM growth of 11.1%. This outperformance was largely driven by strong growth in the anti-infective segment where we grew by 21.8% compared to market growth of 16.2%. We also maintained our leading positions in our established therapy areas of Anti-infectives, Gastro Intestinal, Pain / Analgesic and Vitamins / Minerals / Nutrients. In our emerging therapy segments of Neuro / CNS, Cardiac and Anti-Diabetes we registered strong performance relative to the market with improvement in market share and rankings. For the full year ending March 31, 2018, we registered a growth of 7.2% compared to IPM growth of 6.3%.

The performance highlights of the key therapeutic segments in Q4FY18 and FY18 are as shown in the table below:

Key Therapy segment	Q4FY18				FY18			
	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	21.8%	16.2%	1	Unchanged	2.7%	1.5%
Gastro Intestinal	3	Unchanged	9.1%	8.6%	3	Unchanged	6.6%	5.3%
Pain / Analgesics	3	Unchanged	10.7%	7.1%	3	Unchanged	10.6%	3.5%
Vitamins / Minerals / Nutrients	5	+1	16.0%	10.3%	4	+1	11.5%	6.0%
Neuro / CNS	8	+2	16.0%	5.4%	9	+1	12.1%	3.8%
Derma	17	-1	11.2%	11.5%	18	-1	19.4%	13.8%
Cardiac	27	+1	23.3%	8.7%	28	Unchanged	17.6%	6.0%
Anti-Diabetic	24	+3	21.9%	10.6%	25	+2	20.3%	11.8%
<b>Total</b>	<b>6</b>	<b>+3</b>	<b>16.6%</b>	<b>11.1%</b>	<b>6</b>	<b>Unchanged</b>	<b>7.2%</b>	<b>6.3%</b>

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

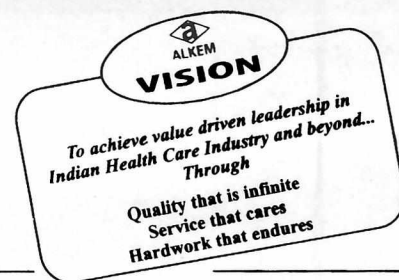
Source: IMS MAT March 2018



**ALKEM**

**ALKEM LABORATORIES LTD.**

**Regd. Office :** " ALKEM HOUSE", Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013. Phone : 022-3982 9999, Fax : 022-2495 2955  
Email : [contact@alkem.com](mailto:contact@alkem.com) Website : [www.alkemlabs.com](http://www.alkemlabs.com)  
CIN :- L00305MH1973PLC174201



### **International Business**

Our International sales for Q4FY18 grew by 35.9% YoY, recording sales of Rs.5,236 million as compared to Rs.3,853 million for Q4FY17. For FY18, our International sales grew by 17.1% to Rs.18,336 million compared to Rs.15,659 million in FY17.

- **US sales** for the quarter was Rs.4,071 million, recording a year-on-year growth of 40.0%. For FY18, US sales was Rs.13,667 million, up 13.6% compared to FY17. In USD terms, the YoY growth was even higher.
- **Other International Markets sales** for the quarter were Rs.1,165 million, recording a year-on-year growth of 23.2%. For FY18, Other International Markets sales were Rs.4,670 million, up 28.9% compared to FY17.

### **R&D Investments**

Our Revenue R&D expenses for the quarter were Rs.1,117 million, or 7.4% of total revenue from operations. Similarly for FY18, our Revenue R&D expenses were Rs.3,646 million, or 5.7% of total revenue from operations.

During the quarter, we filed 11 abbreviated new drug applications (ANDAs) with the US FDA and received 1 approvals. For FY18, we filed 19 ANDAs with the US FDA and received 13 approvals (including 1 tentative approvals).

As on March 31, 2018, we have filed a total of 107 ANDAs and 1 new drug application (NDA) with the US FDA of which 47 are Para IV filings including first-to-files (FTFs). Of these, we have received approvals for 49 ANDAs (including 6 tentative approvals) and 1 NDA.

### **Update on US FDA Inspections**

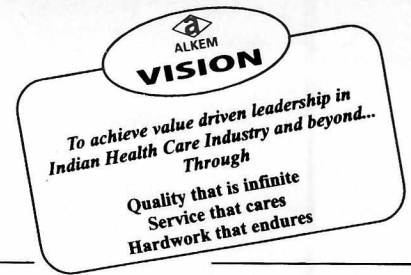
During the quarter, the US FDA conducted inspections at our formulation manufacturing facilities located at Daman, India and St. Louis, US. At the end of the inspection, Form 483 were issued with 1 observation and 13 observations for St. Louis and Daman facilities respectively. We have replied to the US FDA within the stipulated timelines with detailed corrective and preventive action plans to address the observations.



**ALKEM**

**ALKEM LABORATORIES LTD.**

**Regd. Office :** " ALKEM HOUSE", Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013. Phone : 022-3982 9999, Fax : 022-2495 2955  
Email : [contact@alkem.com](mailto:contact@alkem.com) Website : [www.alkemlabs.com](http://www.alkemlabs.com)  
CIN :- L00305MH1973PLC174201



**Q4FY18 and FY18 Conference Call at 5:00pm IST, May 30, 2018**

Alkem Laboratories Ltd. will organize a conference call for investors and analysts on Wednesday, May 30, 2018 at 5:00 pm IST to discuss its Q4FY18 & FY18 financial results.

Alkem Laboratories Ltd. 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:** 5:00 pm IST (GMT + 5:30) on Wednesday, May 30, 2018.

**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

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 700 brands in India, Alkem is ranked the sixth largest pharmaceutical company in India in terms of domestic sales (Source: IMS MAT March 2018). The Company also has presence in more than 50 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**

**Gagan Borana**

Investor Relations – Alkem Laboratories Ltd.

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

E-mail: [gagan.borana@alkem.com](mailto:gagan.borana@alkem.com)