

**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

06<sup>th</sup> August, 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 Q1FY22 Results**

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q1FY22 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 Q1FY22 results

**Mumbai, August 6, 2021:** Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the first quarter ended June 30, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

#### Key highlights of Q1FY22 financial performance

- Total Revenue from Operations was ₹ 27,314 million, year-on-year growth of 37.1%
  - India sales were ₹ 19,097 million, year-on-year growth of 65.3%
  - International sales were ₹ 7,903 million, year-on-year growth of 0.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 5,929 million, resulting in EBITDA margin of 21.7% vs. 26.2% in Q1FY21. EBITDA grew by 13.6% YoY
- R&D expenses for the quarter was ₹ 1,183 million, or 4.3% of total revenue from operations compared to ₹ 1,186 million in Q1FY21 at 6.0% of total revenue from operations
- Profit before tax (PBT) was ₹ 5,561 million, a growth of 12.9% compared to Q1FY21
- Net Profit (after Minority Interest) was ₹ 4,681 million, year-on-year growth of 10.9%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *"We have had a good start to the financial year with a strong growth in our Domestic business, even after adjusting for the low base of the last year. This was driven by robust demand across our established therapies of anti-infectives, gastrointestinal, vitamins & minerals and pain management. Our US business also registered a healthy sequential growth during the quarter. We continue to track good progress in the biosimilar segment with our subsidiary Enzene Biosciences recently receiving marketing authorization for two new products for the India market, taking the total product approvals to three."*

#### Operational Highlights

##### Domestic Business

In Q1FY22, the Company's India sales grew by 65.3% YoY, recording sales of ₹ 19,097 million as compared to ₹ 11,550 million in Q1FY21.

As per secondary sales data by IQVIA for the quarter ended June 30, 2021, the Company delivered a strong YoY growth of 61.1% compared to Indian Pharmaceutical Market (IPM) growth of 39.2% YoY. This growth was mainly driven by acute therapies like anti-infectives, vitamins/minerals/nutrients, gastrointestinal and pain management which witnessed a good volume growth partly helped by higher COVID- 19 cases during the quarter. Company's chronic therapies like neuro / CNS, anti-diabetes,



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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 and has maintained its leadership position in the anti-infective segment. Many of the Company's top brands enjoy good brand equity with their prescriber base and are consistently outperforming in their representative markets. Company's trade generic business also delivered healthy growth during Q1FY22.

The performance highlights of the key therapeutic segments in Q1FY22 are as shown below:

Key Therapy Segment	Q1FY22			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	88.5%	93.6%
Gastro Intestinal	3	Unchanged	32.8%	33.2%
Pain / Analgesics	4	-1	43.7%	36.3%
VMN**	2	+2	86.6%	46.8%
Neuro / CNS	8	+3	38.9%	13.4%
Derma	19	+3	51.1%	23.8%
Cardiac	27	Unchanged	24.9%	19.0%
Anti-Diabetic	19	+2	34.3%	11.2%
<b>Total</b>	<b>5</b>	<b>+2</b>	<b>61.1%</b>	<b>39.2%</b>

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

\*\*VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

### International Business

In Q1FY22, the Company's International sales grew by 0.6% YoY, recording sales of ₹ 7,903 million as compared to ₹ 7,853 million in Q1FY21.

- **US sales** for the quarter was ₹ 6,043 million, recording a year-on-year decline of 9.3%.
- **Other International Markets sales** for the quarter was ₹ 1,860 million, recording a year-on-year growth of 56.4%.

### R&D Investments

During the quarter, the Company filed 2 abbreviated new drug applications (ANDAs) with the US FDA and received 5 final approvals.

As on June 30, 2021, the Company filed a total of 152 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 112 ANDAs (including 15 tentative approvals) and 2 NDAs.



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### 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# 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 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

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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### **Q1FY22 Conference Call at 4:30pm IST, August 6, 2021**

Alkem will organize a conference call for investors and analysts on Friday, August 6, 2021 from 4:30pm to 5:30pm IST to discuss its Q1FY22 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:** 4:30 pm IST (GMT + 5:30) on Friday, August 6, 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=9211737&linkSecurityString=21a4976756>

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**

**Gagan Borana**

Investor Relations

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

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



# ALKEM LABORATORIES LIMITED

ALKEM

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Investor Presentation Q1FY22  
August 6, 2021



# 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 Q1FY22

## Good start to the financial year with strong growth in the India Business

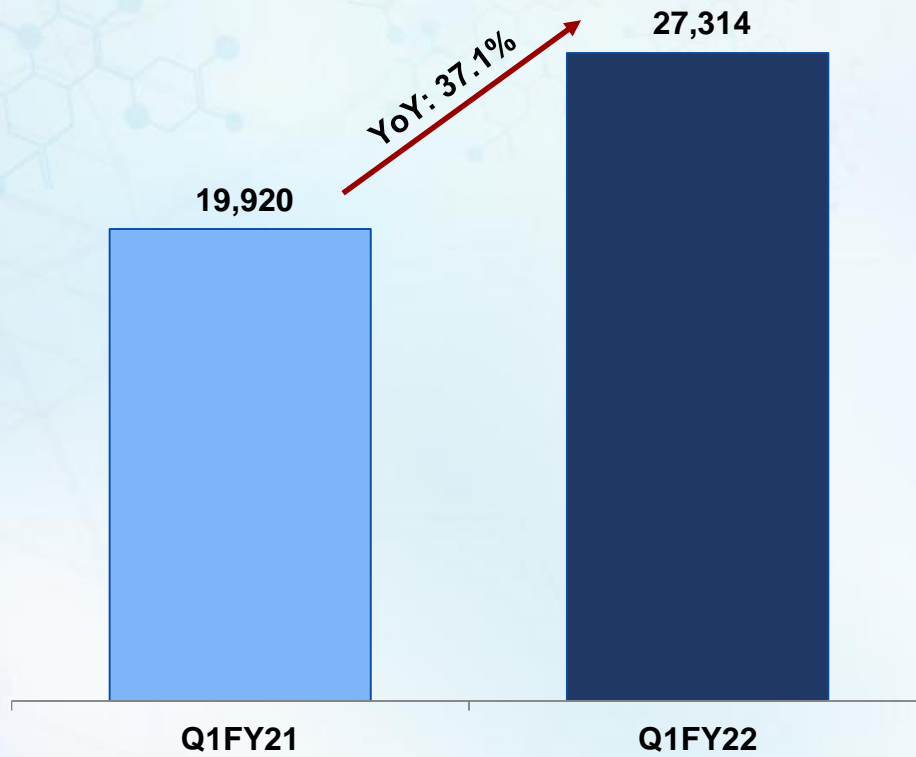
- **Revenue from Operations** grew by 37.1% YoY during the quarter, with EBITDA margin of 21.7% and Net Profit growth of 10.9% YoY
- **India Business:** Company's secondary sales registered growth of 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
  - Strong volume led growth in the acute therapies
  - Faster than market growth in chronic therapies
  - Trade Generic business continues to deliver robust growth
- **US Business** posted sequential growth of 11.2% YoY compared to Q4FY21
- **R&D** expenses in the quarter was ₹ 1.2 billion at 4.3% of revenue from operations
  - The Company filed 2 ANDAs with the US FDA and received 5 final approvals in Q1FY22
- **Enzene Biosciences** – Recently received marketing authorization for 2 new products in India, taking total product approvals to three
- **Healthy Balance Sheet** with net cash of ₹ 9.8 billion as on June 30, 2021



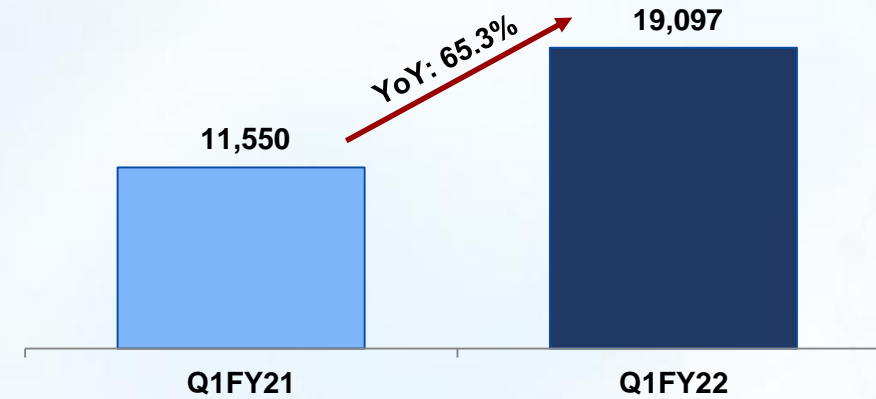
# Key Financial Highlights – Q1FY22 (Consolidated)

All figures in ₹ mn

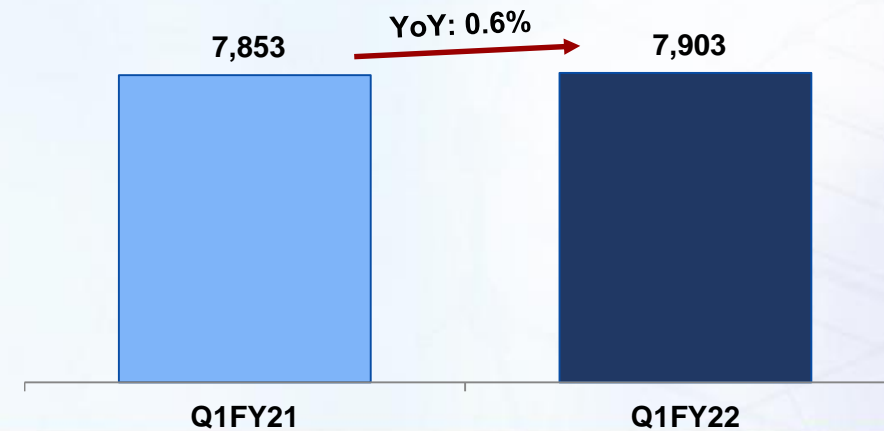
## Revenue from Operations



## India sales



## International sales

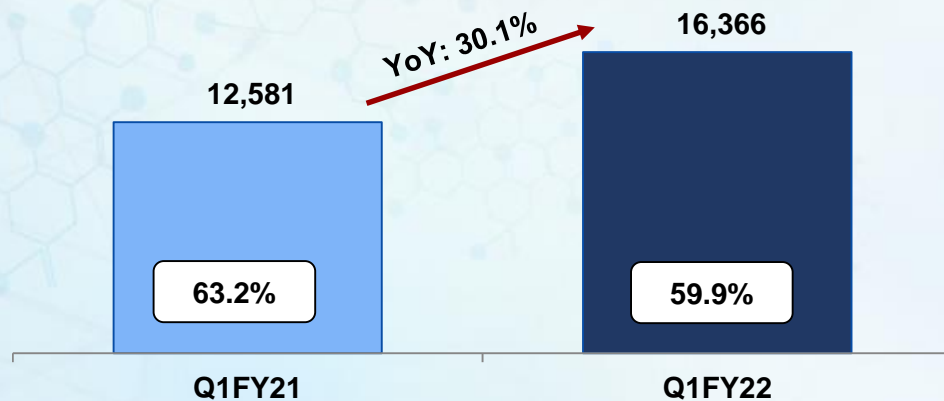


# Key Financial Highlights – Q1FY22 (Consolidated)

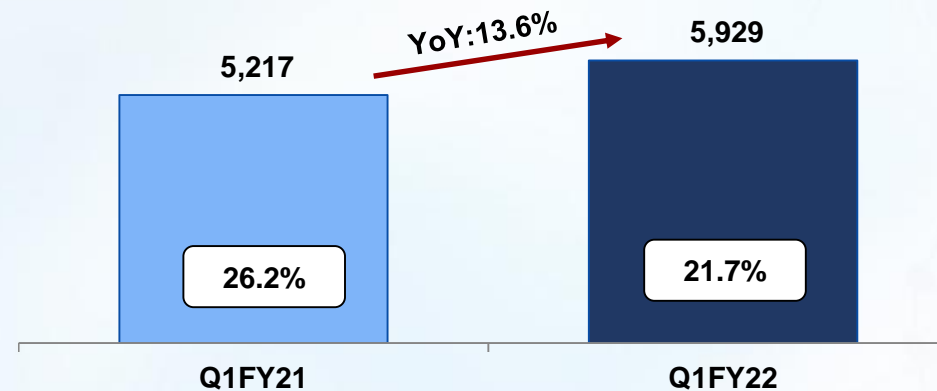


All figures in ₹ mn

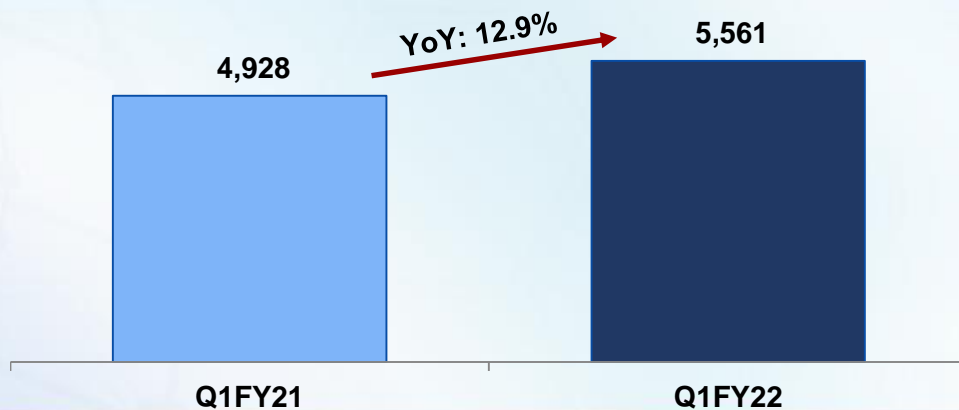
## Gross Profit and Gross Margin



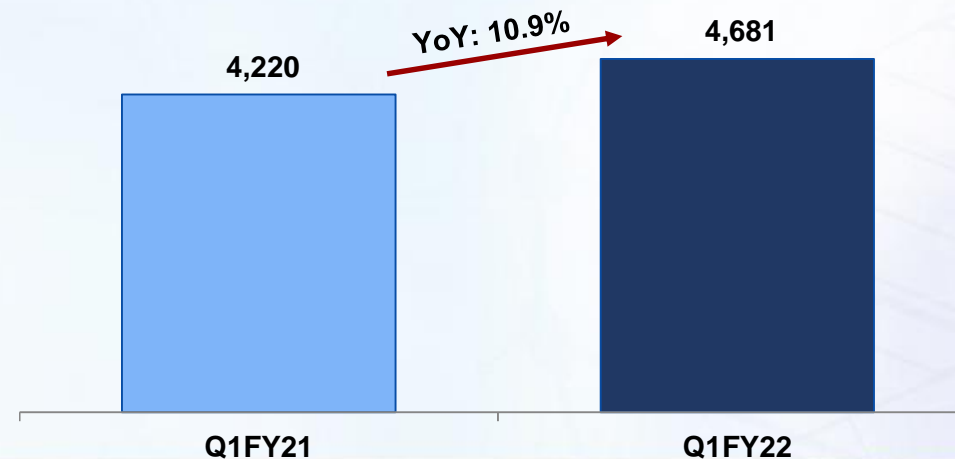
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)

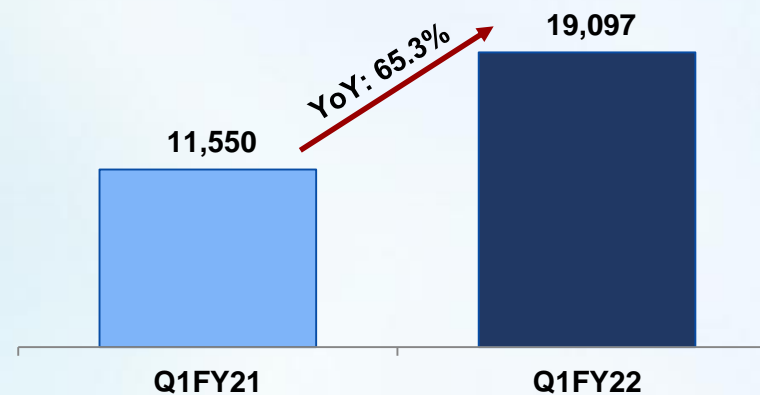


# India Business

## India Business: Q1FY22 Sales of ₹ 19,097 million (65.3% YoY growth)

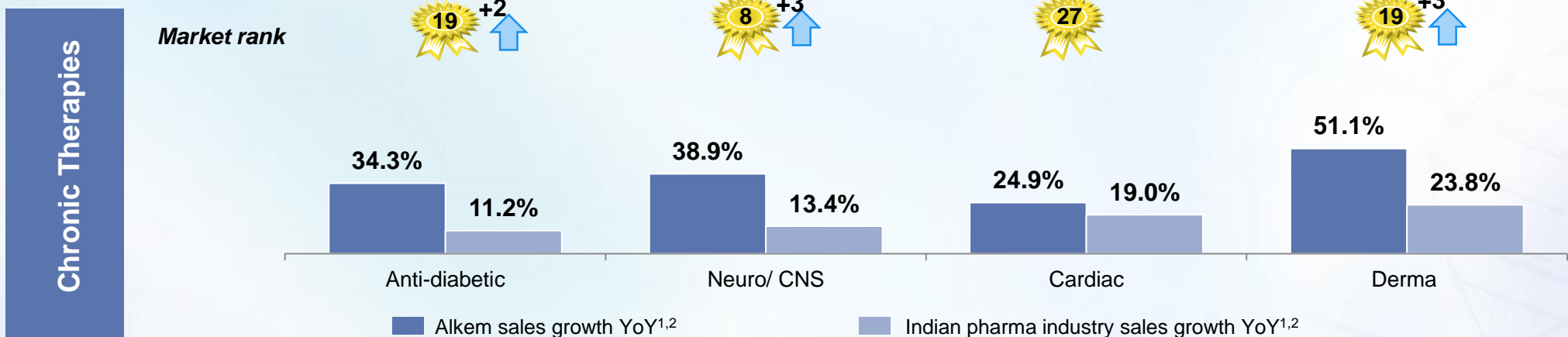
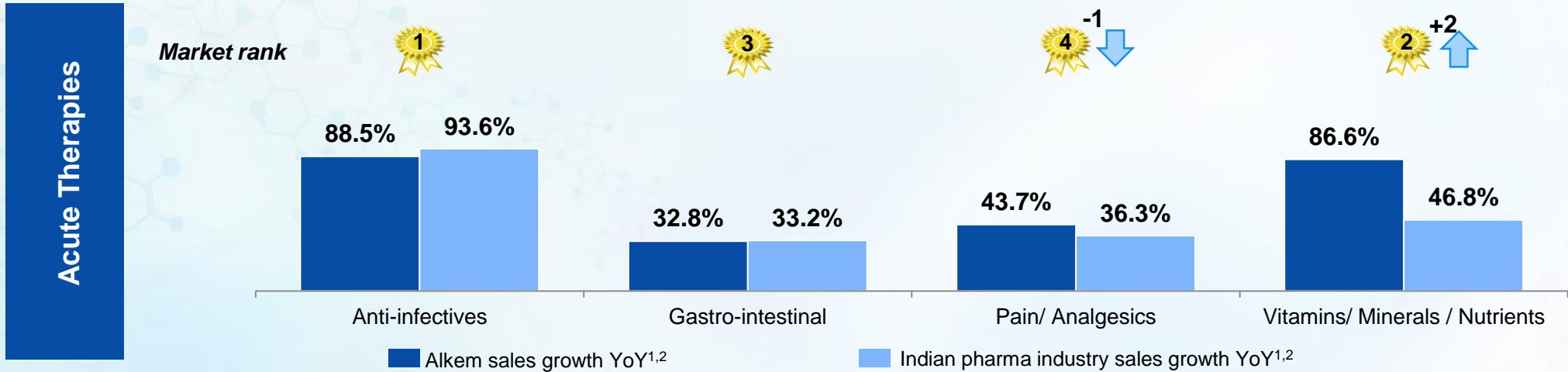
- India sales contributed 70.7% to total sales in Q1FY22
- In Q1FY22, the Company's secondary sales grew by 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment
- The Company also outperformed in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma during the quarter
- Company's Trade Generic business delivered a robust growth during the quarter

**Q1FY22 – India Sales (₹ mn)**



# Secondary Sales Performance

Robust growth across all the major therapeutic segments in Q1FY22



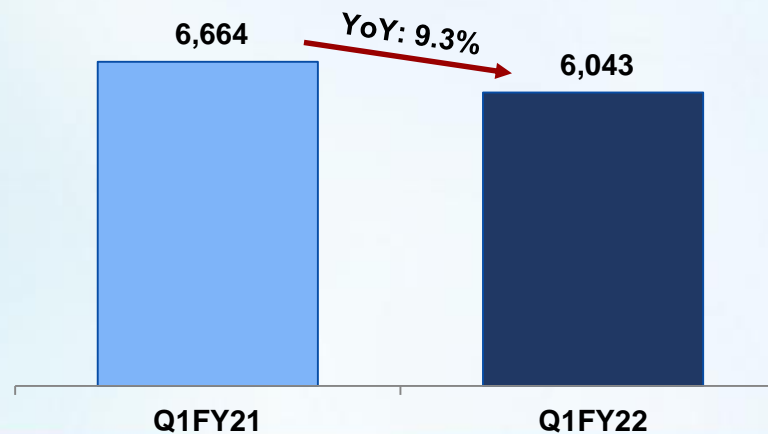
Source: IQVIA data <sup>1</sup> Domestic formulations sales; <sup>2</sup> For 3 months ended June 30, 2021

# US Business

## US Business: Q1FY22 Sales of ₹ 6,043 million (YoY decline of 9.3%)

- US sales contributed 22.4% to total sales in Q1FY22
- During the quarter, the US business registered sequential growth of 11.2% over Q4FY21
- In Q1FY22, the Company filed 2 ANDAs with the US FDA and received 5 final approvals
- As on June 30, 2021, the Company has filed a total of 154 ANDAs (including 2 NDAs) with the US FDA and has received 114 approvals (including 15 tentative approvals and 2 NDAs)

Q1FY22 – US Sales (₹ mn)



# US Business

## Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
<b>St. Louis (US)</b>	Formulations	June 2021	Received 2 observations. Already sent a detail response to the US FDA on the corrective and preventive actions being taken
<b>Baddi (India)</b>	Formulations	February 2020	EIR# received in March 2020
<b>Daman (India)</b>	Formulations	August 2019	EIR# received in October 2019
<b>California (US)</b>	APIs	August 2018	EIR# received in October 2018
<b>Ankleshwar (India)</b>	APIs	December 2016	EIR# received in March 2017
<b>Mandva (India)</b>	APIs	September 2015	EIR# received in March 2016

# EIR – Establishment Inspection Report indicating successful closure of inspection

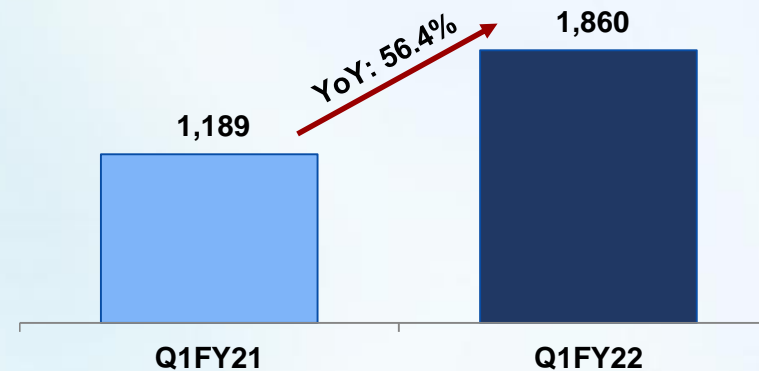
The US FDA had also conducted a remote and virtual Bio-Analytical inspection of the Company's Bioequivalence Center located at Taloja, Maharashtra from 26<sup>th</sup> to 28<sup>th</sup> July, 2021. At the end of the inspection, no Form 483 was issued.

# Other International Business

**Other International Business: Q1FY22 Sales of ₹ 1,860 million (56.4% YoY growth)**

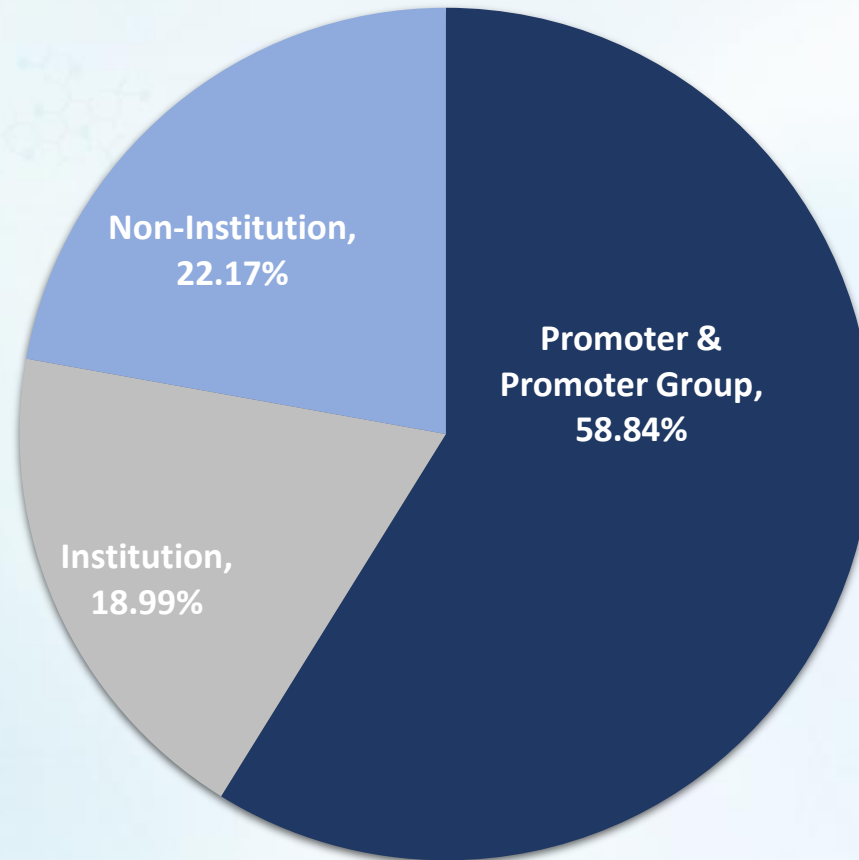
- Other International Market sales contributed 6.9% to total sales in Q1FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines, Kazakhstan and UK registered healthy growth during the quarter

**Q1FY22 – Other International Sales  
(₹ mn)**



# Latest Shareholding Pattern

Shareholding pattern as on June 30, 2021



*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

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