

**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

09th February, 2024

To,

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

Sub: Press Release and Analyst Presentation on Q3FY24 and 9MFY24 Results

With reference to relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the press release and analyst presentation on Q3FY24 and 9MFY24 earnings and business updates and the same will be uploaded on the website of the Company at www.alkemlabs.com.

Kindly take a 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 Q3FY24 and 9MFY24 results

Mumbai, February 9, 2024: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the third quarter ended December 31, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q3FY24 financial performance

- Total Revenue from Operations was ₹ 33,239 million, year-on-year growth of 9.3%
 - India sales were ₹ 22,328 million, year-on-year growth of 12.1%
 - International sales were ₹ 10,240 million, year-on-year growth of 3.1%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 7,076 million, resulting in EBITDA margin of 21.3% vs. 19.7% in Q3FY23. EBITDA increased by 18.1% YoY
- R&D expenses for the quarter was ₹ 1,111 million, or 3.3% of total revenue from operations compared to ₹ 1,297 million in Q3FY23 at 4.3% of total revenue from operations
- Profit before tax (PBT) before exceptional item was ₹ 7,062 million, a growth of 31.0% compared to Q3FY23
- Net Profit (after Minority Interest) was ₹ 5,950 million, year-on-year growth of 30.8%

Key highlights of 9MFY24 financial performance

- Total Revenue from Operations was ₹ 97,318 million, year-on-year growth of 11.9%
 - India sales were ₹ 64,613 million, year-on-year growth of 7.9%
 - International sales were ₹ 30,928 million, year-on-year growth of 19.8%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 18,435 million, resulting in EBITDA margin of 18.9% vs. 14.4% in 9MFY23. EBITDA increased by 46.8% YoY
- R&D expenses for 9MFY24 was ₹ 3,472 million, or 3.6% of total revenue from operations compared to ₹ 3,922 million in 9MFY23 at 4.5% of total revenue from operations
- Profit before tax (PBT) before exceptional item was ₹ 17,648 million, a growth of 61.4% compared to 9MFY23
- Net Profit (after Minority Interest) was ₹ 15,022 million, year-on-year growth of 64.5%

Commenting on the results, Dr Vikas Gupta, CEO, Alkem said " *Continuing our trend of improved performance, Q3 builds on the momentum gained in H1 with significant gross margin enhancements backed by lower raw material cost and lower intensity of price erosion in US market resulting in improved EBITDA margins. Our domestic business has outperformed IPM growth by 20bps. Our international business has delivered steady growth, although US business de-grew on back of high base of last year led by flu season. In Non-US business across geographies, we achieved a very healthy growth. Our biosimilars business is performing impressively and witnessing significant traction in the domestic biosimilars market with Enzene's portfolio of 7 products. We are committed to carrying forward the momentum of better operational performance, building on our recent successes.*"



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Operational Highlights

Domestic Business

In Q3FY24, the Company's India sales increased by 12.1% YoY, recording sales of ₹ 22,328 million as compared to ₹ 19,922 million in Q3FY23. For 9MFY24, the Company's India sales was ₹ 64,613 million compared to ₹ 59,898 million in 9MFY23 – growth of 7.9% YoY.

As per secondary sales data by IQVIA for the quarter ended December 31, 2023, the Company delivered a YoY growth of 8.5% compared to Indian Pharmaceutical Market (IPM) growth of 8.3% YoY. Our domestic business has outperformed IPM growth by 20bps mainly on account of strong performance in Gastro, Vitamins & minerals and Anti-diabetic. The company continues to rank among the top five companies in the Indian pharmaceutical market and maintains its leading position in the anti-infective segment. The company has 19 brands which features among top 300 brands and annual sales of over ₹ 1 bn.

The performance highlights of the key therapeutic segments in Q3FY24 and 9MFY24 are as shown below:

Key Therapy segment	Q3FY 24				9MFY24			
	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	6.9%	9.5%	1	Unchanged	4.8%	7.1%
Gastro Intestinal	3	Unchanged	14.1%	9.3%	3	Unchanged	11.2%	7.7%
Pain / Analgesics	3	Unchanged	3.1%	8.2%	3	Unchanged	6.4%	8.8%
VMN**	2	Unchanged	12.2%	8.4%	2	Unchanged	8.2%	7.5%
Neuro / CNS	7	Unchanged	4.5%	8.7%	7	Unchanged	8.5%	8.6%
Derma	19	Unchanged	4.3%	3.3%	19	Unchanged	9.4%	5.7%
Cardiac	27	+1	6.0%	8.8%	27	+1	7.7%	9.6%
Respiratory	15	+2	1.5%	5.1%	15	Unchanged	1.0%	5.0%
Anti-Diabetic	15	Unchanged	16.3%	5.5%	15	+1	22.9%	5.6%
Total	5	Unchanged	8.5%	8.3%	5	Unchanged	7.8%	8.2%

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

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data



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International Business

In Q3FY24, the Company's International sales grew by 3.1% YoY, recording sales of ₹ 10,240 million as compared to ₹ 9,928 million in Q3FY23. For 9MFY24, the Company's International sales grew by 19.8% to ₹ 30,928 million compared to ₹ 25,823 million in 9MFY23.

- **US sales** for the quarter was ₹ 6,838 million, witnessing a year-on-year decline of 10.2%. For 9MFY24, US sales was ₹ 21,468 million, compared to ₹ 19,217 million in 9MFY23, a growth of 11.7% YoY.
- **Other International Markets sales** for the quarter was ₹ 3,402 million, recording a year-on-year growth of 46.9%. For 9MFY24, Other International Markets sales was ₹ 9,460 million compared to ₹ 6,606 million in 9MFY23 - a growth of 43.2% YoY.

R&D Investments

During the quarter, the Company received 6 ANDA approvals (including 1 tentative approval) from USFDA. For 9MFY24, the Company filed 4 ANDA with the US FDA and received 17 approvals (including 3 tentative approvals).

As on December 31, 2023, the Company filed a total of 173 ANDAs and 2 new drug applications (NDA) with the USFDA. Of these, it has received approvals for 146 ANDAs (including 14 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Mandva (India)	API	December 2023	Inspection done with 3 Form 483 observations. The Company has already submitted a detailed response to the USFDA on the corrective and preventive actions being taken to address them.
Ankleshwar (India)	API	April 2023	Inspection is closed. EIR [#] received in July 2023
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

EIR – Establishment Inspection Report



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Q3FY24 and 9MFY24 Conference Call at 4:30 pm IST, February 9, 2024

Alkem will organize a conference call for investors and analysts on Friday, February 9, 2024 from 4:30pm to 5:30pm IST to discuss its Q3FY24 financial results.

Alkem will be represented on the call by Dr. Vikas Gupta, Chief Executive Officer 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, February 9, 2024

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=7145733&linkSecurityString=2a7a2285a7>

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 2023). 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

Kunal Kothari

GM Finance

Tel: +91 22 3982 9999

E-mail: kunal.kothari@alkem.com



Alkem Laboratories Ltd.

Investor Presentation Q3FY24

February 9, 2024



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.

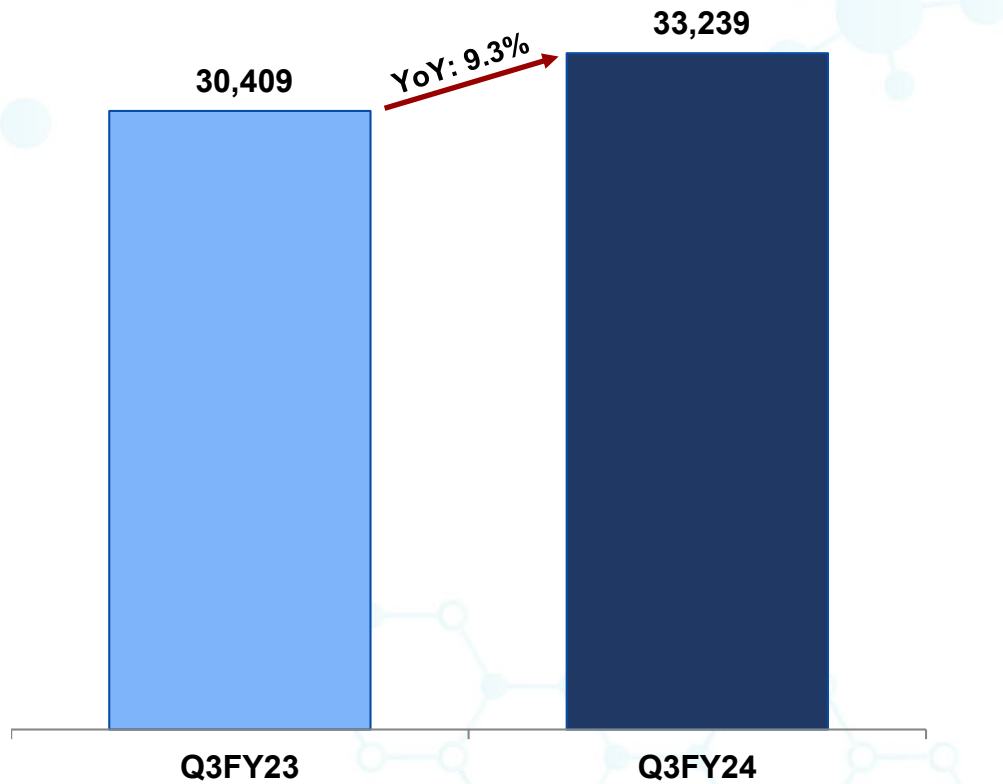
Key Highlights of Q3FY24

- **EBITDA** margin improved by 160 bps from 19.7% in Q3FY23 to 21.3% in Q3FY24.
- **EBITDA** grew by 18.1% YoY from ₹ 5,990 mn to ₹ 7,076 mn
- **Revenue from Operation** grew by 9.3% YoY during the quarter
- **India Business:** As per IQVIA, Company's sales in Q3FY24 registered growth of 8.5% compared to IPM growth of 8.3%
 - Our domestic business has outperformed IPM growth by 20bps mainly on account of strong performance in Gastro, Vitamins & minerals and Anti-diabetic.
- **US Business** witnessed de-growth of 10.2% YoY on higher base of last year supported by flu season.
- **Non US Business** witnessed strong growth of 46.9% YoY.
- **Enzene Bio-sciences**
 - As on 31st December 2023, we have launched 7 bio-similar products in domestic market. All our products are witnessing good market demand.
- **R&D expenses** for the quarter was ₹1.11 billion at 3.3% of revenue from operations
 - The company received 6 approvals (including 1 tentative approval) from USFDA during the quarter
- **Healthy balance sheet with net cash of ₹35 billion** as on December 31, 2023.

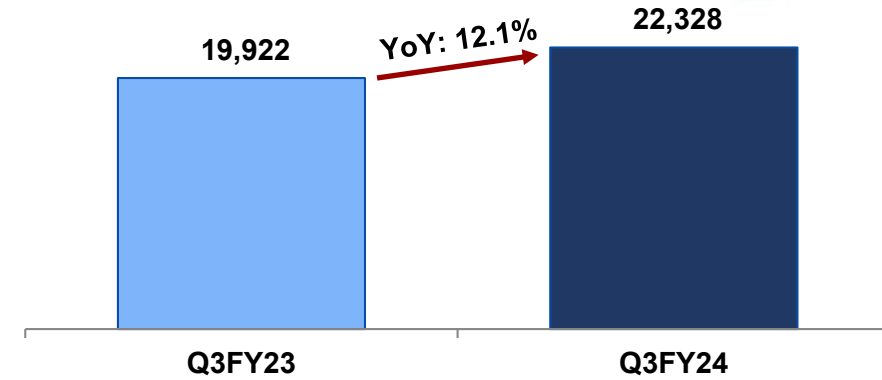
Key Financial Highlights – Q3FY24 (Consolidated)

All figures in ₹ mn

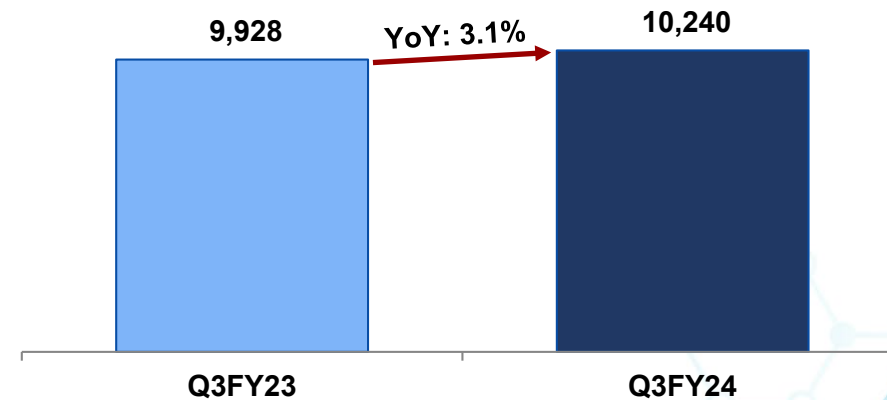
Revenue from Operations



India sales



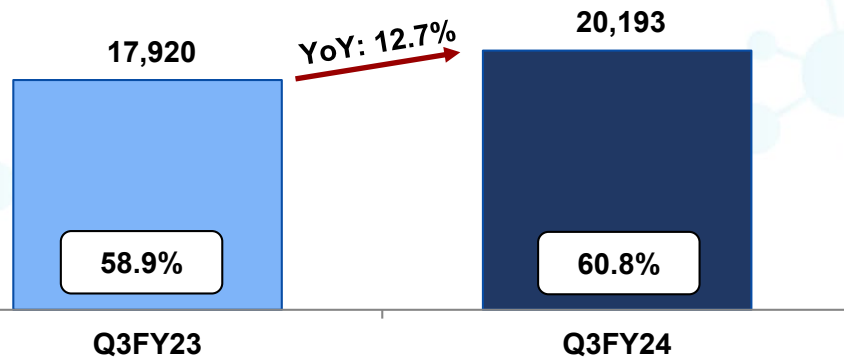
International sales



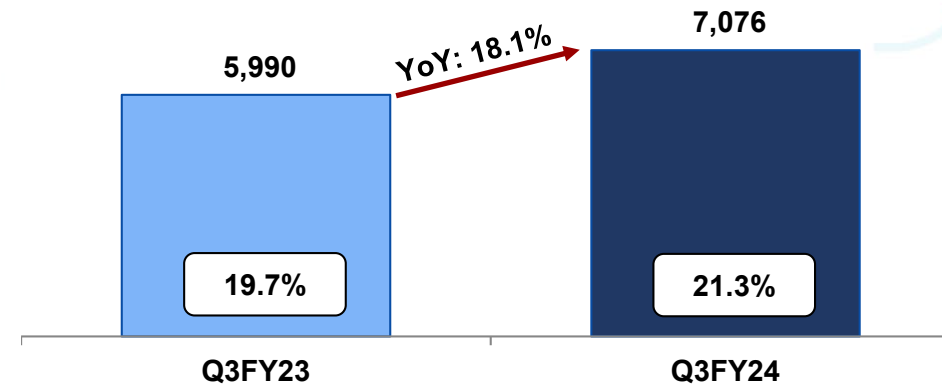
Key Financial Highlights – Q3FY24 (Consolidated)

All figures in ₹ mn

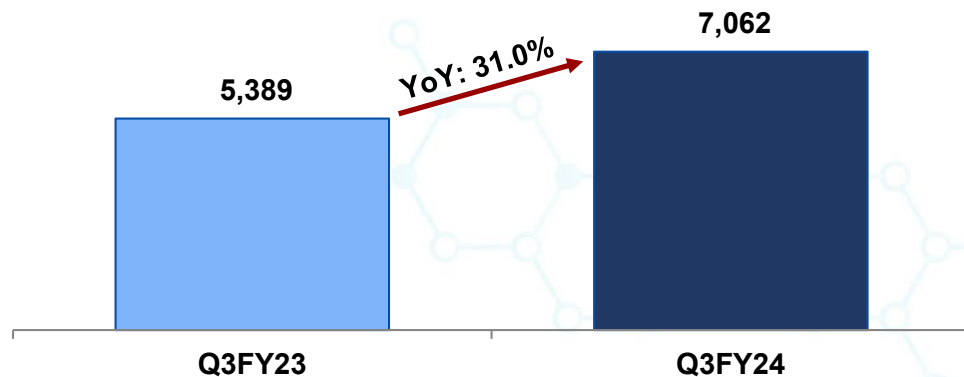
Gross Profit and Gross Margin



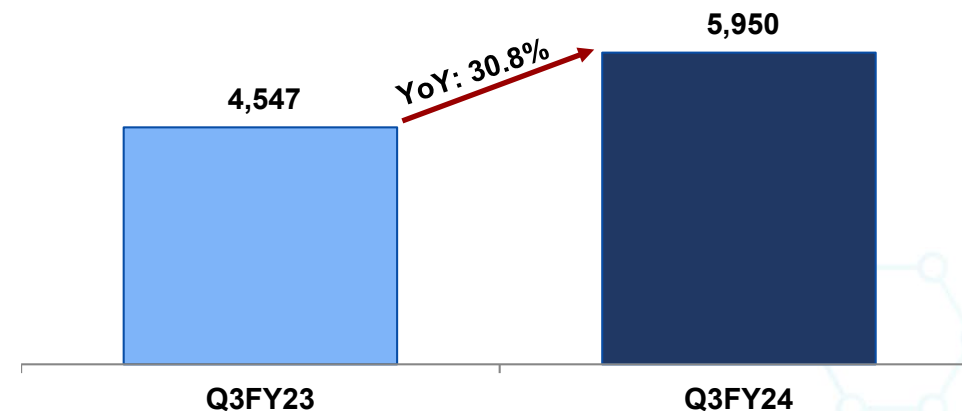
EBITDA and EBITDA Margin



PBT (before exceptional item)



PAT (after Minority Interest)



Key Financial Highlights – 9MFY24 (Consolidated)

All figures in ₹ mn

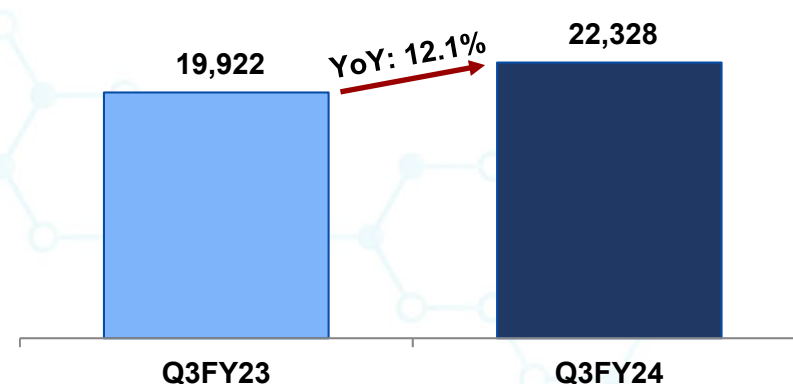
Particulars	9MFY24	9MFY23	YoY growth
Revenue from Operations	97,318	86,967	11.9%
Gross Profit	59,016	50,453	17.0%
Gross Profit Margin	60.6%	58.0%	
EBITDA	18,435	12,562	46.8%
EBITDA Margin	18.9%	14.4%	
PBT (before exceptional item)	17,648	10,931	61.4%
Exceptional item	(1,090)	-	
PBT (after exceptional item)	16,558	10,931	51.5%
PBT Margin	17.0%	12.6%	
PAT (after Minority interest)	15,022	9,132	64.5%
PAT Margin	15.4%	10.5%	
EPS (₹ / share)	125.6	76.4	64.5%

India Business

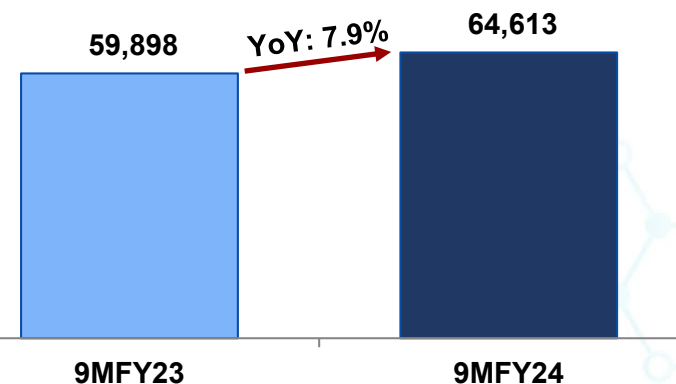
India Business: Q3FY24 Sales of ₹ 22,328 million (12.1% YoY growth)

- Contribution of domestic sales to total sales in Q3FY24 was 68.6%
- As per IQVIA, in Q3FY24, the Company's secondary sales grew by 8.5% compared to IPM growth of 8.3% YoY.
- Domestic business has witnessed strong performance mainly driven by Gastro, Anti-diabetic and Vitamins & minerals.
- Anti-diabetic continues market beating performance with a growth of almost 3x of the market.
- Trade generic has registered good growth during the quarter.

Q3FY24 – India Sales (₹ mn)



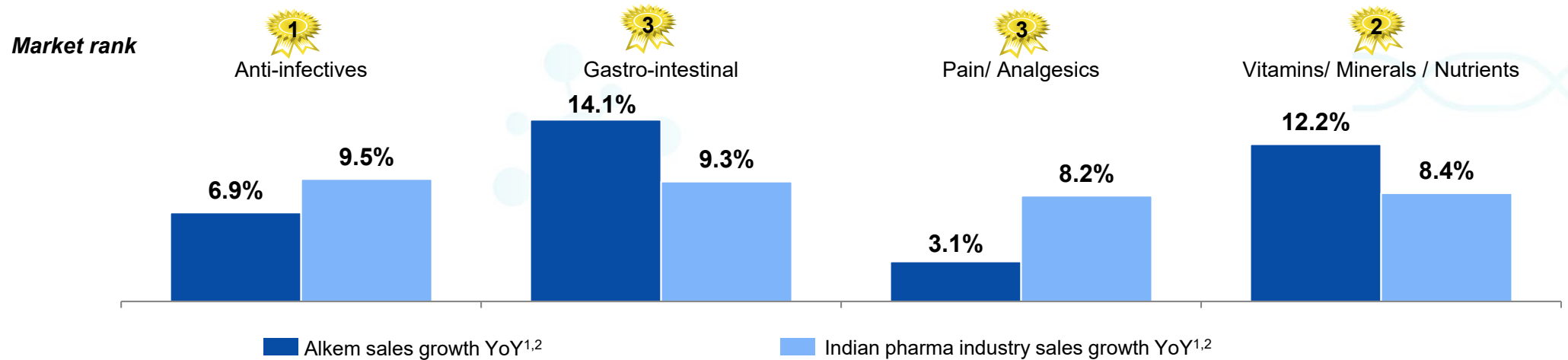
9MFY24 – India Sales (₹ mn)



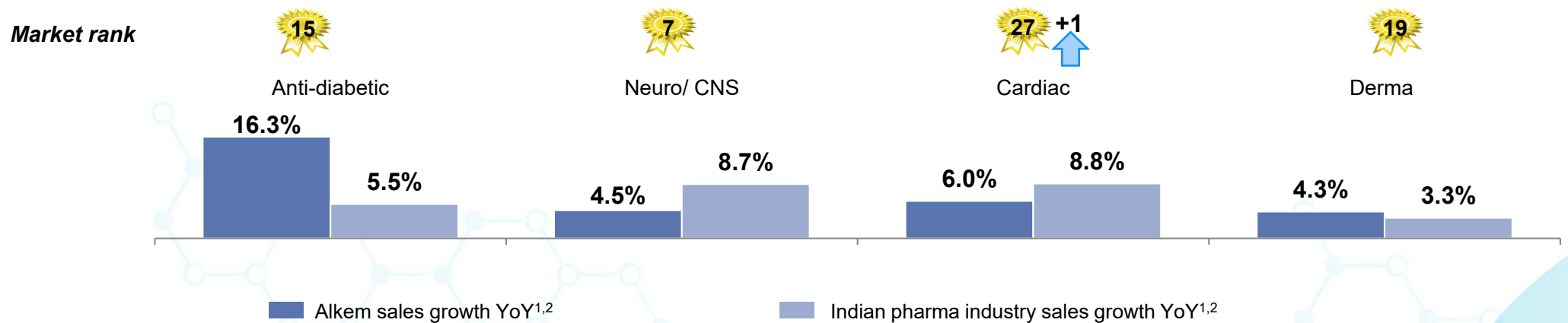
Secondary Sales Performance

Mixed performance across all major therapeutic segments in Q3FY24

Acute Therapies



Chronic Therapies



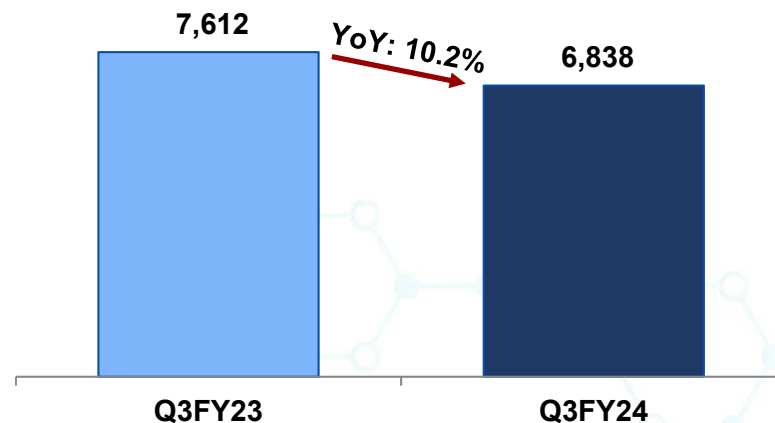
Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended December 31, 2023

US Business

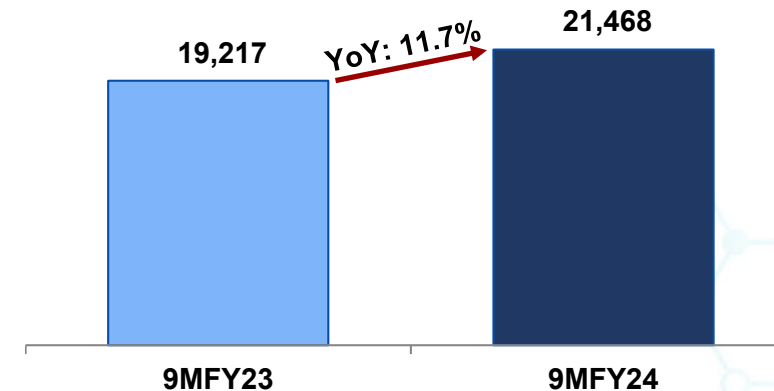
US Business: Q3FY24 Sales of ₹ 6,838 million (10.2% YoY decline)

- Overall contribution of US sales to total sales was 21% in Q3FY24
- During the quarter, the US business witnessed decline of 10.2% YoY on higher base of last year supported by flu season
- During Q3FY24, the Company received 6 ANDA approvals (including 1 tentative approvals) from USFDA.
- As on December 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 146 ANDAs (including 14 tentative approvals) and 2 NDAs.

Q3FY24 – US Sales (₹ mn)



9MFY24 – US Sales (₹ mn)



US Business

Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Mandva (India)	API	December 2023	Inspection done with 3 Form 483 observations. The Company has already submitted a detailed response to the USFDA on the corrective and preventive actions being taken to address them.
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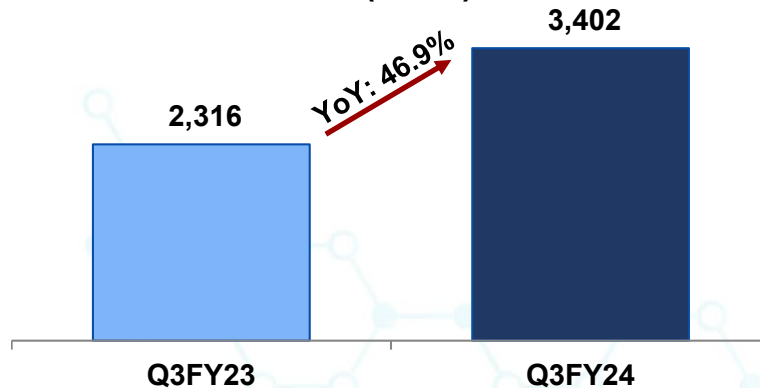
EIR – Establishment Inspection Report indicating successful closure of inspection

Other International Business

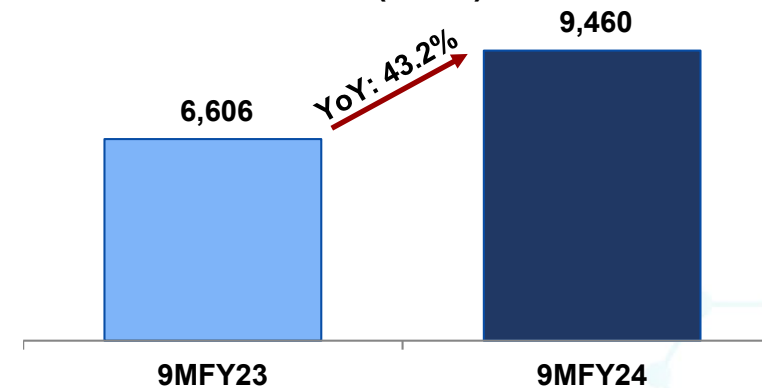
Other International Business: Q3FY24 Sales of ₹ 3,402 million (46.9% YoY growth)

- Other International Market sales contributed 10.4% to total sales in Q3FY24
- Our Non-US business has contributed significantly amidst launch of limited competition products in our key focus markets.
- The Company has presence mainly in Latin America, Australia and Europe.
- All our major markets like Chile, UK and Germany have registered very strong growth during Q3FY24.

Q3FY24 – Other International Sales
(₹ mn)

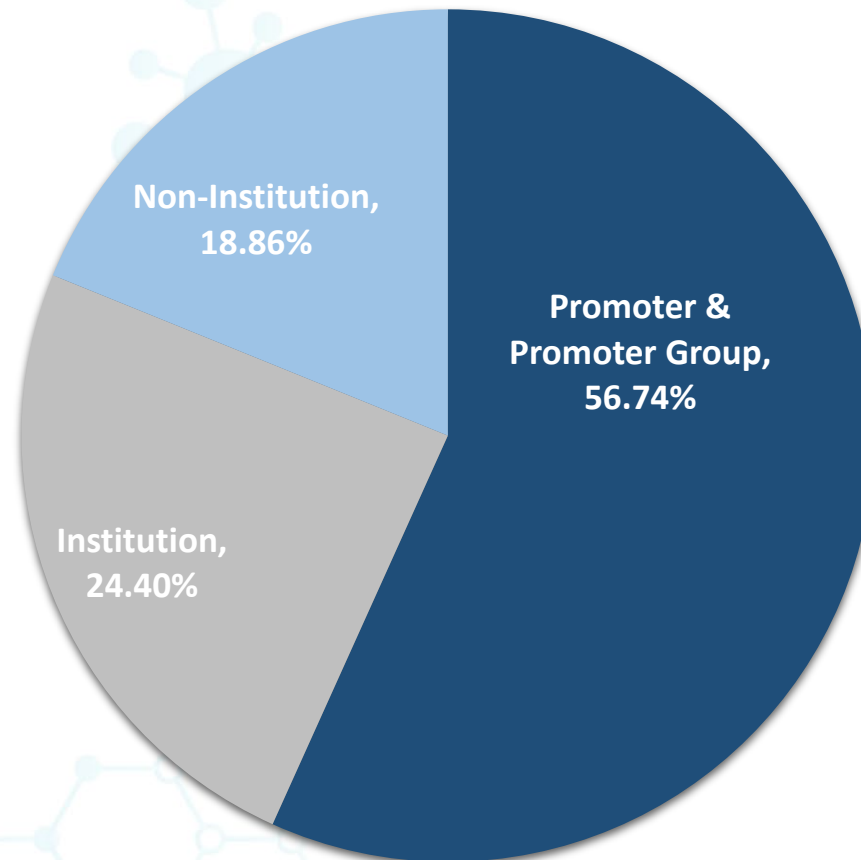


9MFY24 – Other International Sales
(₹ mn)



Latest Shareholding Pattern

Shareholding pattern as on December 30, 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

A light blue icon representing a molecular structure with a central atom and several smaller atoms attached to it.

Thank You

For further information or queries, please contact

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GM Finance

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A light blue icon representing a complex molecular structure with multiple interconnected rings and atoms.A light blue icon representing a complex molecular structure with multiple interconnected rings and atoms.