

**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

25<sup>th</sup> May, 2021

<b>The Corporate Relationship Department</b> <b>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 Q4FY21 and FY21 Results**

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q4FY21 and FY21 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 Q4FY21 and FY21 Results

**Mumbai, May 25, 2021:** Alkem Laboratories Ltd (Alkem) today announced its standalone and consolidated financial results for fourth quarter and twelve months ended March 31, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

#### Key highlights of Q4FY21 financial performance

- Total Revenue from Operations was ₹ 21,922 million, year-on-year growth of 7.0%
  - India sales were ₹ 14,732 million, year-on-year growth of 17.1%
  - International sales were ₹ 6,907 million, year-on-year decline of 8.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 2,911 million, resulting in EBITDA margin of 13.3% vs. 14.8% in Q4FY20. EBITDA declined by 3.9% YoY
- R&D expenses for the quarter was ₹ 1,408 million, or 6.4% of total revenue from operations compared to ₹ 1,253 million in Q4FY20 at 6.1% of total revenue from operations
- Profit before tax (PBT) was ₹ 2,582 million, a growth of 9.7% compared to Q4FY20
- Net Profit (after Minority Interest) was ₹ 2,400 million, year-on-year growth of 27.1%

#### Key highlights of FY21 financial performance

- Total Revenue from Operations was ₹ 88,650 million, year-on-year growth of 6.2%
  - India sales were ₹ 56,996 million, year-on-year growth of 4.5%
  - International sales were ₹ 30,288 million, year-on-year growth of 10.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 19,424 million, resulting in EBITDA margin of 21.9% vs. 17.7% in FY20. EBITDA grew by 31.8% YoY
- R&D expenses for FY21 was ₹ 5,322 million, or 6.0% of total revenue from operations compared to ₹ 4,726 million in FY20 at 5.7% of total revenue from operations
- Profit before tax (PBT) was ₹ 18,421 million, a growth of 46.2% compared to FY20
- Net Profit (after Minority Interest) was ₹ 15,850 million, year-on-year growth of 40.6%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, “FY21 was an unprecedented year marked by disruptions and restrictions due to COVID pandemic. During these testing times, we tried our best to deliver on our commitments to our patients around the world by ensuring uninterrupted supply of medicines. For this, I would like to thank each and every Alkemite for their determination, perseverance and agility to adapt to different on ground situations. Given the challenging backdrop, we performed well in FY21 with about 6% YoY revenue growth, more than 400bps improvement in EBITDA margin and about 40% growth in net profit. We also ended the year with a healthy balance sheet with net cash of more than ₹ 500 Crores.”



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### Operational Highlights

#### Domestic Business

In Q4FY21, the Company's India sales grew by 17.1% YoY, recording sales of ₹ 14,732 million as compared to ₹ 12,576 million in Q4FY20. For FY21, the Company's India sales was ₹ 56,996 million compared to ₹ 54,540 million in FY20 – growth of 4.5% YoY.

As per IQVIA data for the quarter ended March 31, 2021, the Company grew ahead of the Indian Pharmaceutical Market (IPM) with a growth of 9.8% YoY compared to IPM growth of 8.5%. In most of the large therapy segments like Anti-Infectives, Pain Management, Vitamins / Minerals / Nutrients, Neuro / CNS, Cardiac and Anti-Diabetes, the Company grew faster than the segment growth rate thereby gaining market share. On MAT basis for FY21, the Company continues to feature amongst the top five companies in the Indian pharmaceutical market and has a leadership position in Anti-infective segment. Many of the Company's top brands outperformed in their representative markets in FY21. Company's trade generic business also delivered robust growth during Q4FY21 and FY21.

The performance highlights of the key therapeutic segments in Q4FY21 and FY21 are as shown in the table below:

Key Therapy segment	Q4FY21				FY21			
	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	-0.5%	-5.8%	1	Unchanged	-9.5%	-11.9%
Gastro Intestinal	3	Unchanged	17.3%	17.4%	3	Unchanged	7.4%	6.2%
Pain / Analgesics	3	Unchanged	9.8%	8.0%	3	Unchanged	-1.9%	-0.7%
VMN**	2	+2	36.0%	16.4%	4	Unchanged	27.4%	10.5%
Neuro / CNS	8	Unchanged	12.8%	12.1%	8	Unchanged	-3.5%	9.7%
Derma	16	Unchanged	9.4%	12.6%	18	-4	-13.7%	5.7%
Cardiac	27	Unchanged	13.1%	9.9%	27	-1	15.4%	12.9%
Anti-Diabetic	19	+2	27.0%	6.8%	20	+1	18.3%	8.7%
<b>Total</b>	<b>6</b>	<b>Unchanged</b>	<b>9.8%</b>	<b>8.5%</b>	<b>5</b>	<b>Unchanged</b>	<b>0.3%</b>	<b>4.3%</b>

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

\*\*VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

#### International Business

In Q4FY21, the Company's International sales declined by 8.2% YoY, recording sales of ₹ 6,907 million as compared to ₹ 7,523 million in Q4FY20. For FY21, the Company's International sales grew by 10.6% to ₹ 30,288 million compared to ₹ 27,380 million in FY20.

- **US sales** for the quarter was ₹ 5,435 million, recording a year-on-year decline of 10.4%. For FY21, US sales was ₹ 24,512 million, up 11.4% compared to FY20.
- **Other International Markets sales** for the quarter was ₹ 1,472 million, recording a year-on-year growth of 1.2%. For FY21, Other International Markets sales was ₹ 5,776 million, up 7.3% compared to FY20.



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### R&D Investments

During the quarter, the Company filed 4 abbreviated new drug applications (ANDAs) with the US FDA and received 10 approvals (including 3 tentative approvals). For FY21, the Company filed 9 ANDAs with the US FDA and received 25 approvals (including 6 tentative approvals).

As on March 31, 2021, the Company filed a total of 150 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 108 ANDAs (including 16 tentative approvals) and 2 NDAs.

### Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
St. Louis (US)	Formulation	January - February 2020	EIR# received in May 2020, thereby successfully closing the inspection
Baddi (India)	Formulation	February 2020	EIR# received in March 2020, thereby successfully closing the inspection
Daman (India)	Formulation	August 2019	EIR# received in October 2019, thereby successfully closing the inspection
California (US)	API	August 2018	Successfully closed without any observations. EIR received in October 2018
Ankleshwar (India)	API	December 2016	EIR# received in March 2017, thereby successfully closing the inspection
Mandva (India)	API	September 2015	EIR# received in March 2016, thereby successfully closing the inspection

# EIR – Establishment Inspection Report



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### **Q4FY21 and FY21 Conference Call at 4:30pm IST, May 25, 2021**

Alkem will organize a conference call for investors and analysts on Tuesday, May 25, 2021 from 4:30pm to 5:30pm IST to discuss its Q4FY21 and FY21 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:** 4:30 pm IST (GMT + 5:30) on Tuesday, May 25, 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=5744373&linkSecurityString=13c7a00789>

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**

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# Alkem Laboratories Ltd.



**Investor Presentation Q4FY21  
May 25, 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 Q4FY21 and FY21

## Healthy performance in a challenging year

- **Revenue from Operations** grew by 6.2% YoY during the financial year, accompanied by 420bps expansion in EBITDA margin to 21.9% and Net Profit growth of 40.6% YoY
- **During the Quarter**, Revenue from Operations grew by 7.0% YoY and Net Profit grew by of 27.1% YoY
- **India Business**: Company's secondary sales witnessed good recovery in the second half of the financial year compared to YoY decline in the first half (Source: IQVIA data)
  - Company's top brands continue to grow ahead of their respective markets (Source: IQVIA data)
  - Company's Trade Generic business registered robust growth during the quarter and the year gone by
- **US Business** grew by 11.4% YoY during the financial year, largely driven by new product launches
- **R&D** expenses in FY21 was at 6.0% of revenue from operations compared to 5.7% in FY20
  - The Company filed 9 ANDAs with the US FDA and received 25 approvals (including 6 tentative approval) in FY21
- **Healthy Balance Sheet** with net cash of ₹ 5.3bn as on March 31, 2021



# Key Financial Highlights – Q4FY21 (Consolidated)

All figures in ₹ mn

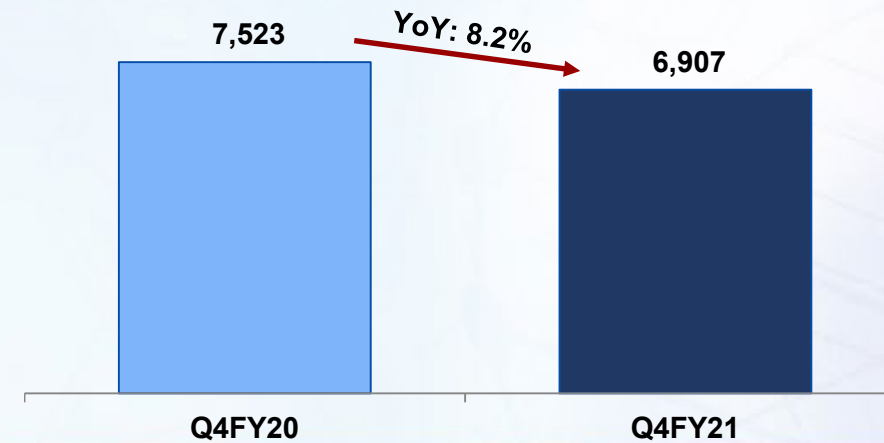
### Revenue from Operations



### India sales



### International sales

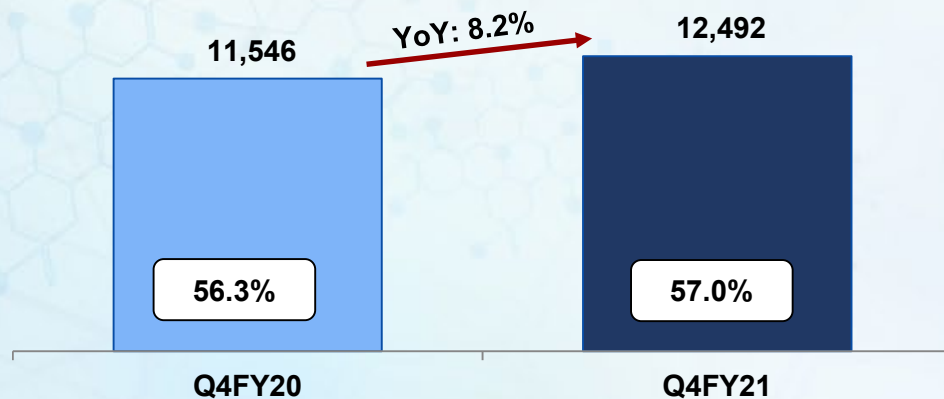


# Key Financial Highlights – Q4FY21 (Consolidated)

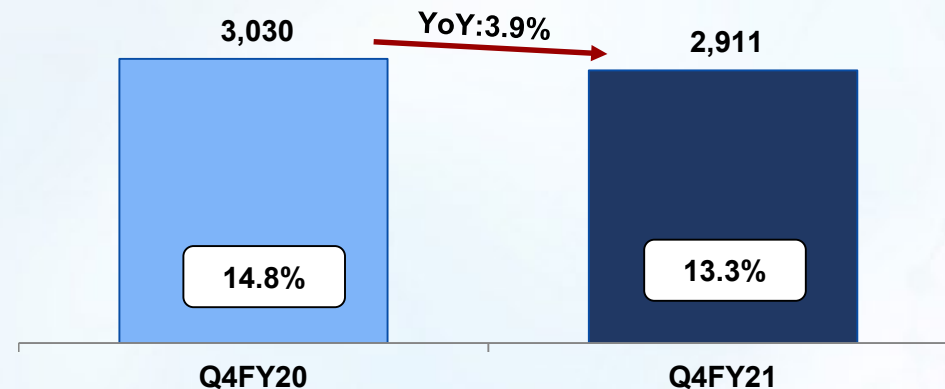


All figures in ₹ mn

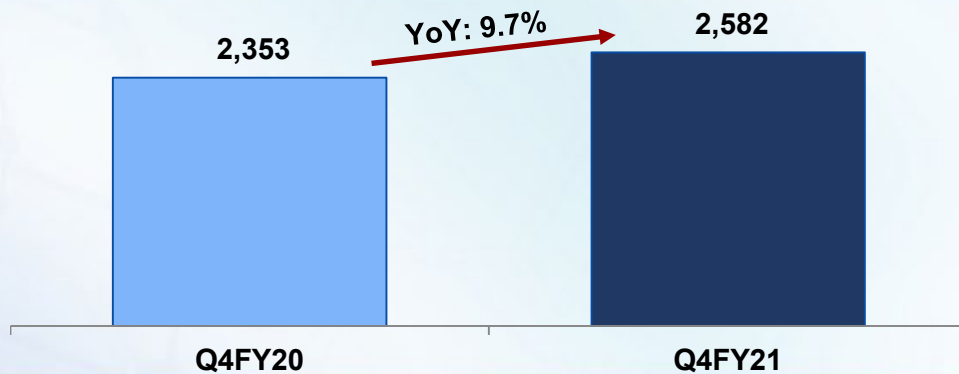
## Gross Profit and Gross Margin



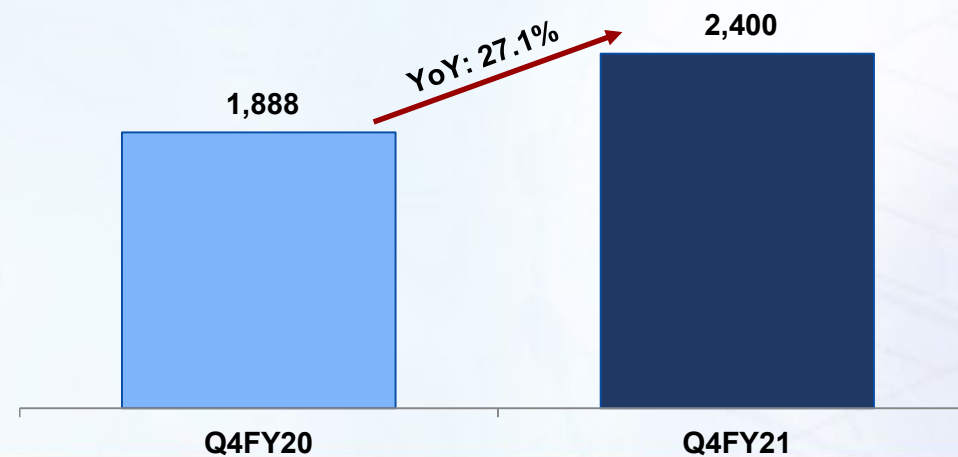
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)



## Key Financial Highlights – FY21 (Consolidated)

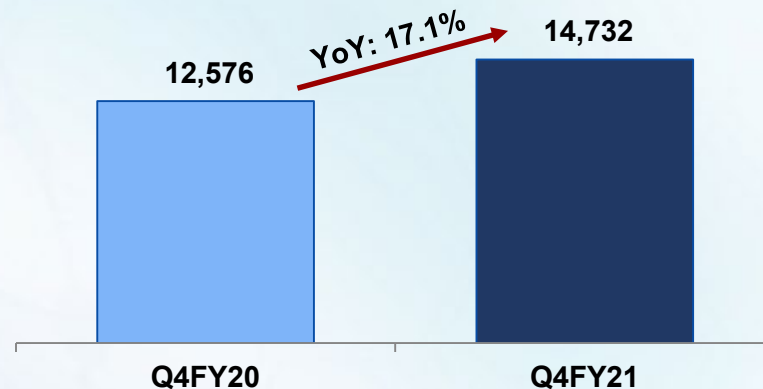
Particulars (₹ mn)	FY21	FY20	YoY growth
Revenue from Operations	88,650	83,444	6.2%
Gross Profit	53,666	49,994	7.3%
Gross Profit margin	60.5%	59.9%	
EBITDA	19,424	14,734	31.8%
EBITDA margin	21.9%	17.7%	
PBT	18,421	12,598	46.2%
PBT margin	20.8%	15.1%	
PAT (After Minority Interest)	15,850	11,271	40.6%
PAT margin	17.9%	13.5%	
EPS (₹ / share)	132.57	94.26	40.6%

# India Business

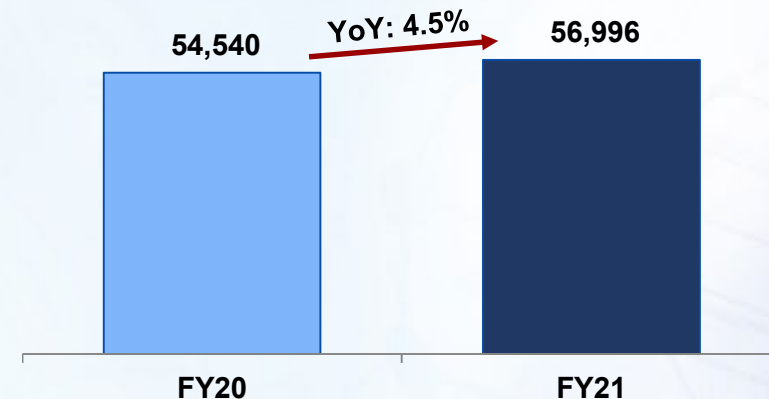
## India Business: Q4FY21 Sales of ₹ 14,732 million (17.1% YoY growth)

- India sales contributed 68.1% to total sales in Q4FY21
- Company witnessed good recovery in the second half of the financial year compared to YoY decline in the first half
- Company's Trade Generic business delivered a robust growth during the quarter and the financial year
- In Q4FY21, the Company's secondary sales grew by 9.8% YoY compared to IPM growth of 8.5% YoY (Source: IQVIA data)
- During the quarter, the Company grew ahead of the market in the therapy areas of anti-infectives, pain management, vitamins / minerals / nutrients, neuro / CNS, cardiac and anti-diabetes (Source: IQVIA data)

**Q4FY21 – India Sales (₹ mn)**



**FY21 – India Sales (₹ mn)**



# Secondary Sales Performance

Company's India business registered healthy recovery in the second half of FY21 compared to YoY decline in the first half

Therapy segment	Alkem's Secondary Sales Growth YoY				
	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21
Anti-infectives	-22.1%	-12.2%	-3.9%	-0.5%	-9.5%
Gastro Intestinal	-4.0%	6.0%	12.5%	17.3%	7.4%
Pain / Analgesics	-14.1%	-5.4%	3.2%	9.8%	-1.9%
Vitamins / Minerals / Nutrients	3.9%	30.3%	39.6%	36.0%	27.4%
Neuro / CNS	-14.7%	-9.8%	-2.2%	12.8%	-3.5%
Derma	-35.7%	-19.2%	-11.2%	9.4%	-13.7%
Cardiac	13.9%	17.1%	17.6%	13.1%	15.4%
Anti-Diabetic	11.7%	13.2%	21.2%	27.0%	18.3%
<b>Total</b>	<b>-11.8%</b>	<b>-2.0%</b>	<b>5.4%</b>	<b>9.8%</b>	<b>0.3%</b>

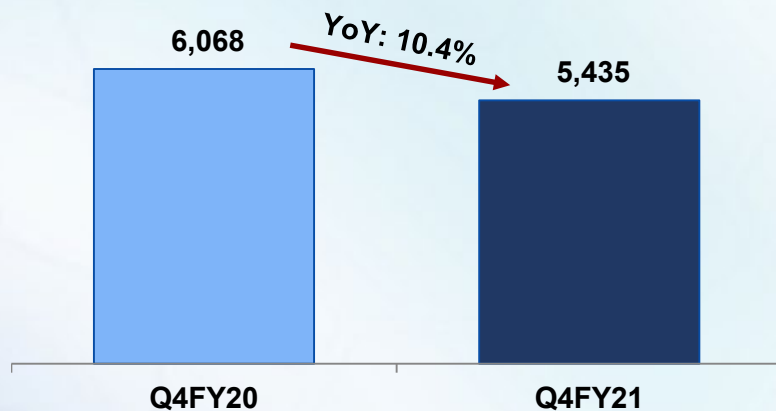
(Source: IQVIA data)

# US Business

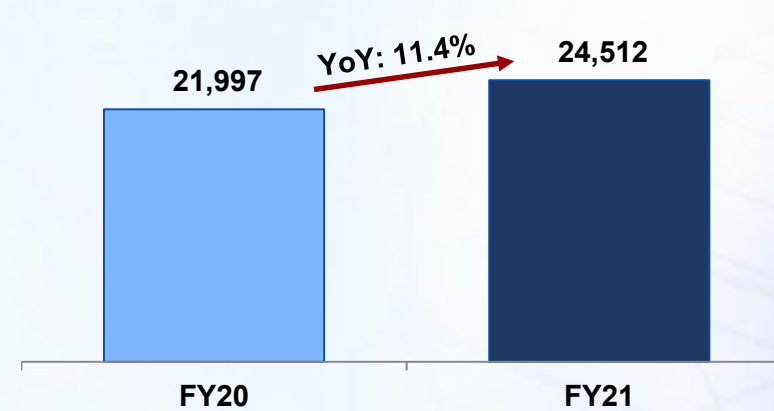
## US Business: Q4FY21 Sales of ₹ 5,435 million (YoY decline of 10.4%)

- US sales contributed 25.1% to total sales in Q4FY21
- Company's US sales doubled in four years through FY17 to FY21 registering a CAGR of 19.5% led by new product launches and market share gain in existing products
- In FY21, the Company filed 9 ANDAs with the US FDA and received 25 approvals (including 6 tentative approval)
- As on March 31, 2021, the Company has filed a total of 152 ANDAs (including 2 NDAs) with the US FDA and has received 110 approvals (including 16 tentative approvals and 2 NDAs)

**Q4FY21 – US Sales (₹ mn)**



**FY21 – US Sales (₹ mn)**



# US Business



## EIR for all the six facilities inspected by the US FDA

Facility	Capability	Last inspection	Status post last inspection
<b>St. Louis (US)</b>	Formulation	January - February 2020	EIR# received in May 2020
<b>Baddi (India)</b>	Formulation	February 2020	EIR# received in March 2020
<b>Daman (India)</b>	Formulation	August 2019	EIR# received in October 2019
<b>California (US)</b>	API	August 2018	EIR# received in October 2018
<b>Ankleshwar (India)</b>	API	December 2016	EIR# received in March 2017
<b>Mandva (India)</b>	API	September 2015	EIR# received in March 2016

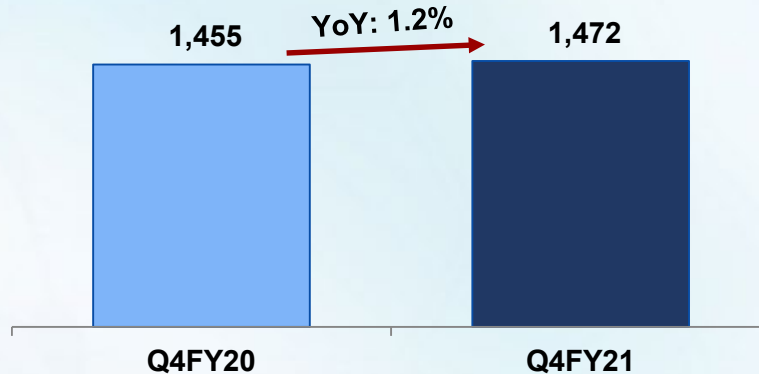
# EIR – Establishment Inspection Report indicating successful close of inspection

# Other International Business

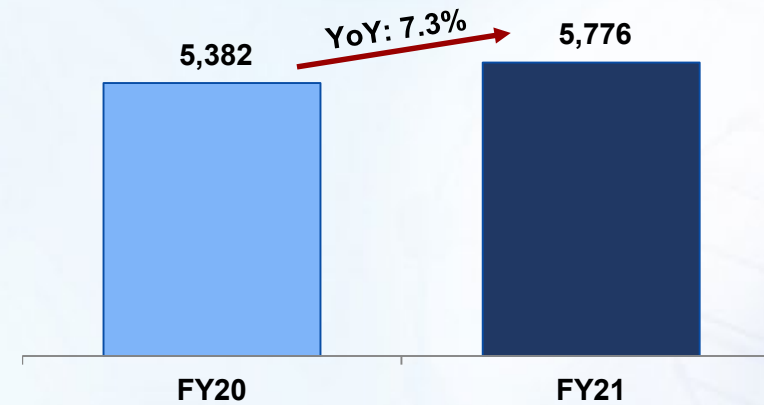
**Other International Business: Q4FY21 Sales of ₹ 1,472 million (1.2% YoY growth)**

- Other International Market sales contributed 6.8% to total sales in Q4FY21
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Chile, Kazakhstan and UK registered healthy growth during the year

**Q4FY21 – Other International Sales  
(₹ mn)**



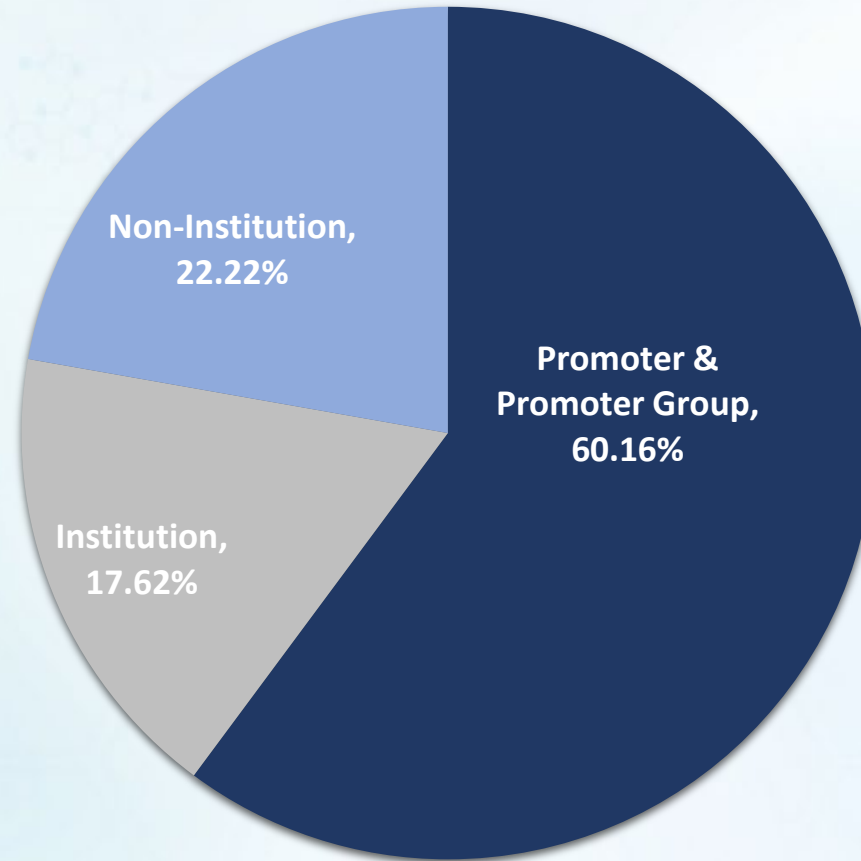
**FY21 – Other International Sales  
(₹ mn)**





# Latest Shareholding Pattern

Shareholding pattern as on March 31, 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

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

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