

**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

13<sup>th</sup> May, 2022

<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 Q4FY22 and FY22 Results**

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q4FY22 and FY22 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 Q4FY22 and FY22 results

**Mumbai, May 13, 2022:** Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the fourth quarter and twelve months ended March 31, 2022. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

#### Key highlights of Q4FY22 financial performance

- Total Revenue from Operations was ₹ 24,839 million, year-on-year growth of 13.3%
  - India sales were ₹ 17,187 million, year-on-year growth of 16.7%
  - International sales were ₹ 7,411 million, year-on-year growth of 7.3%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 3,372 million, resulting in EBITDA margin of 13.6% vs. 13.3% in Q4FY21. EBITDA grew by 15.8% YoY
- R&D expenses for the quarter was ₹ 1,634 million, or 6.6% of total revenue from operations compared to ₹ 1,408 million in Q4FY21 at 6.4% of total revenue from operations
- Profit before tax (PBT) was ₹ 2,427 million, a decline of 6.0% compared to Q4FY21
  - Exceptional Item of ₹ 150 million debit was on account of fair value of an investment
- Net Profit (after Minority Interest) was ₹ 1,076 million, year-on-year decline of 55.2%

#### Key highlights of FY22 financial performance

- Total Revenue from Operations was ₹ 106,342 million, year-on-year growth of 20.0%
  - India sales were ₹ 74,045 million, year-on-year growth of 29.9%
  - International sales were ₹ 31,075 million, year-on-year growth of 2.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 20,529 million, resulting in EBITDA margin of 19.3% vs. 21.9% in FY21. EBITDA grew by 5.7% YoY
- R&D expenses for FY22 was ₹ 5,674 million, or 5.3% of total revenue from operations compared to ₹ 5,322 million in FY21 at 6.0% of total revenue from operations
- Profit before tax (PBT) was ₹ 18,443 million, a growth of 0.1% compared to FY21
- Net Profit (after Minority Interest) was ₹ 16,456 million, year-on-year growth of 3.8%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, “FY22 was a mixed bag for the Company as our India business did well helped by COVID-19 tailwinds, while our US business faced significant pricing pressure. We forayed in the Indian respiratory segment with the launch of Pulmocare division which received an encouraging response. Our biotech subsidiary Enzene also made good progress with product launches in India and signing multiple product out-licensing deals. Going forward, while we are positive about our growth prospects given the levers we have built over the years, navigating the inflationary pressures of high raw material prices and increased freight rates, would be a key challenge for the Company.”



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### Operational Highlights

#### Domestic Business

In Q4FY22, the Company's India sales grew by 16.7% YoY, recording sales of ₹ 17,187 million as compared to ₹ 14,732 million in Q4FY21. For FY22, the Company's India sales was ₹ 74,045 million compared to ₹ 56,996 million in FY21 – growth of 29.9% YoY.

As per secondary sales data by IQVIA for the quarter ended March 31, 2022, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 15.3% YoY compared to IPM growth of 9.6% YoY. Even for the full year FY22, the Company outperformed the IPM with growth of 27.6% YoY compared to IPM growth of 18.2% YoY. This outperformance was largely driven by acute therapies like anti-infectives, gastro intestinal, vitamins/minerals/nutrients and pain management which witnessed a good growth during the financial year partly helped by COVID-19 tailwinds. During the financial year, the Company also outperformed the IPM in the chronic therapy areas of neuro / CNS, anti-diabetes and derma. Company gained 3 ranks in the anti-diabetic segment and one rank in the derma segment. Company's recent foray in the respiratory segment has also seen encouraging response with higher than market growth rate. Company's trade generic business continued its healthy growth during Q4FY22 and FY22.

The performance highlights of the key therapeutic segments in Q4FY22 and FY22 are as shown in the table below:

Key Therapy segment	Q4FY22				FY22			
	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	14.5%	15.3%	1	Unchanged	33.8%	35.0%
Gastro Intestinal	3	Unchanged	25.1%	9.0%	3	Unchanged	22.2%	17.4%
Pain / Analgesics	3	Unchanged	10.0%	13.3%	3	Unchanged	22.0%	21.6%
VMN**	2	Unchanged	18.6%	8.0%	2	+2	30.1%	16.4%
Neuro / CNS	9	-1	-6.5%	7.1%	8	Unchanged	18.0%	11.0%
Derma	19	-2	-9.8%	1.5%	18	+1	20.1%	9.6%
Cardiac	27	Unchanged	-3.6%	7.1%	27	Unchanged	7.9%	10.5%
Anti-Diabetic	18	+1	14.7%	4.8%	17	+3	25.6%	7.2%
Respiratory	17	+1	46.8%	38.2%	17	Unchanged	55.5%	44.0%
<b>Total</b>	<b>5</b>	<b>+1</b>	<b>15.3%</b>	<b>9.6%</b>	<b>5</b>	<b>Unchanged</b>	<b>27.6%</b>	<b>18.2%</b>

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

\*\*VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

#### International Business

In Q4FY22, the Company's International sales grew by 7.3% YoY, recording sales of ₹ 7,411 million as compared to ₹ 6,907 million in Q4FY21. For FY22, the Company's International sales grew by 2.6% to ₹ 31,075 million compared to ₹ 30,288 million in FY21.



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- **US sales** for the quarter was ₹ 5,419 million compared to ₹ 5,435 million in Q4FY21, recording a year-on-year decline of 0.3 %. For FY22, US sales was ₹ 23,291 million, compared to ₹ 24,512 million in FY21 - a year-on-year decline of 5.0% YoY.
- **Other International Markets sales** for the quarter was ₹ 1,991 million compared to ₹ 1,472 million in Q4FY21, recording a year-on-year growth of 35.3%. For FY22, Other International Markets sales was ₹ 7,785 million compared to ₹ 5,776 million in FY21 - a year-on-year growth of 34.8% YoY.

### R&D Investments

During the quarter, the Company filed 6 abbreviated new drug applications (ANDAs) with the US FDA and received 3 final approvals. For FY22, the Company filed 14 ANDAs with the US FDA and received 21 approvals (including 3 tentative approvals).

As on March 31, 2022, the Company has filed a total of 161 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 121 ANDAs (including 13 tentative approvals) and 2 NDAs.

### Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Taloja (India)	Bioequivalence Centre	April 2022	Successfully closed inspection without any observations
St. Louis (US)	Formulations	June 2021	Inspection is closed. EIR# received in March 2022
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)	APIs	August 2018	Inspection is closed. EIR# received in October 2018
Ankleshwar (India)	APIs	December 2016	Inspection is closed. EIR# received in March 2017
Mandva (India)	APIs	September 2015	Inspection is closed. EIR# received in March 2016

# EIR – Establishment Inspection Report



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### **Q4FY22 and FY22 Conference Call at 4:00pm IST, May 13, 2022**

Alkem will organize a conference call for investors and analysts on Friday, May 13, 2022 from 4:00 pm to 5:00 pm IST to discuss its Q4FY22 and FY22 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:** 4:00 pm IST (GMT + 5:30) on Friday, May 13, 2022

#### **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=5724561&linkSecurityString=186ba84bb2>

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 2022). 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

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

# ALKEM LABORATORIES LIMITED



Investor Presentation  
Q4FY22 May 13, 2022

# 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 FY22

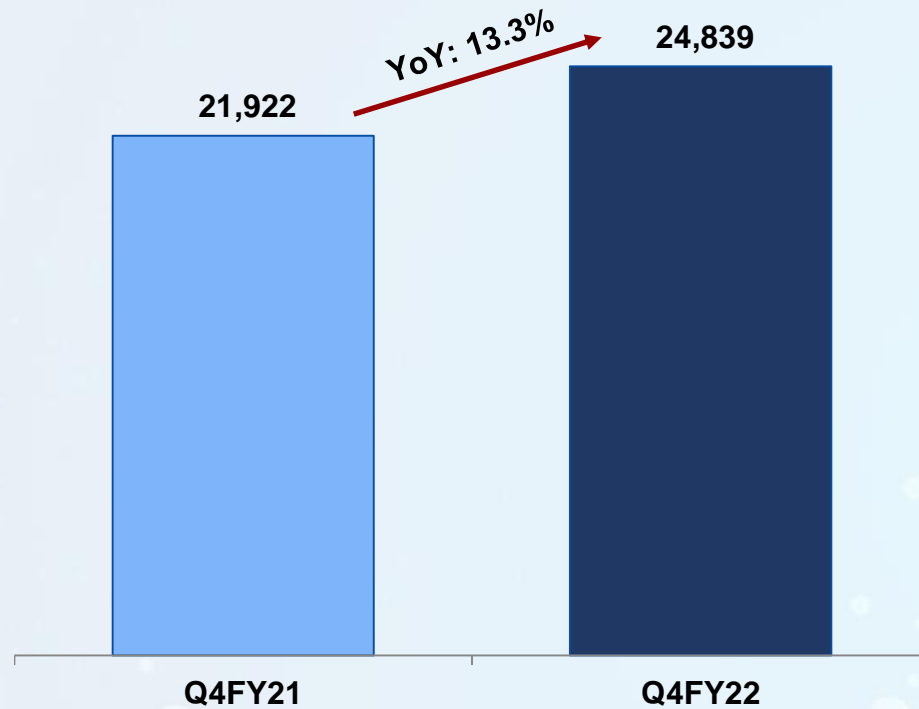
- **Revenue from Operations** grew by 20.0% YoY during FY22, with EBITDA margin at 19.3% and Net Profit growth of 3.8% YoY
- **India Business:** Company's secondary sales in FY22 registered growth of 27.6% YoY compared to IPM growth of 18.2% YoY (Source: IQVIA data)
  - Strong growth in acute therapies partially helped by COVID-19 tailwinds; faster than market growth in chronic therapies
  - Trade Generic business too delivered a robust growth despite the high base of last year
  - Forayed into respiratory segment with launch of Pulmocare division
- **US Business** – Year marked by significant pricing pressure on the base business, partially mitigated by new product launches
- **R&D** expenses during the year increased by 6.6% YoY to ₹ 5.7 billion (5.3% of revenue from operations)
- **Enzene Biosciences** - Received marketing authorization to commercialized three biosimilar products in India in FY22
  - Signed multiple out-licensing & supply partnerships contracts across regulated and semi-regulated markets
- **Healthy Balance Sheet** with net cash of ₹ 9.7 billion as on March 31, 2022



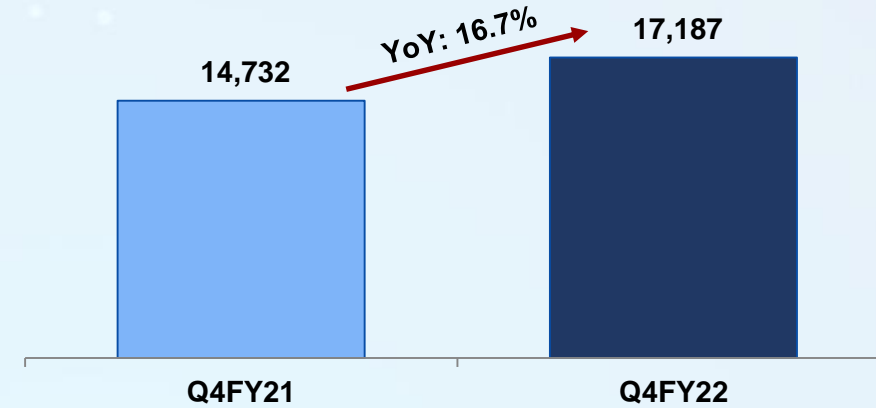
# Key Financial Highlights – Q4FY22 (Consolidated)

All figures in ₹ mn

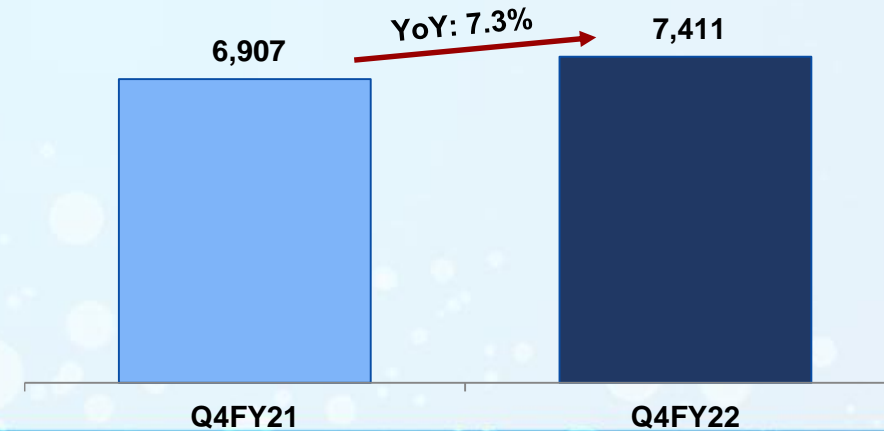
## Revenue from Operations



## India sales



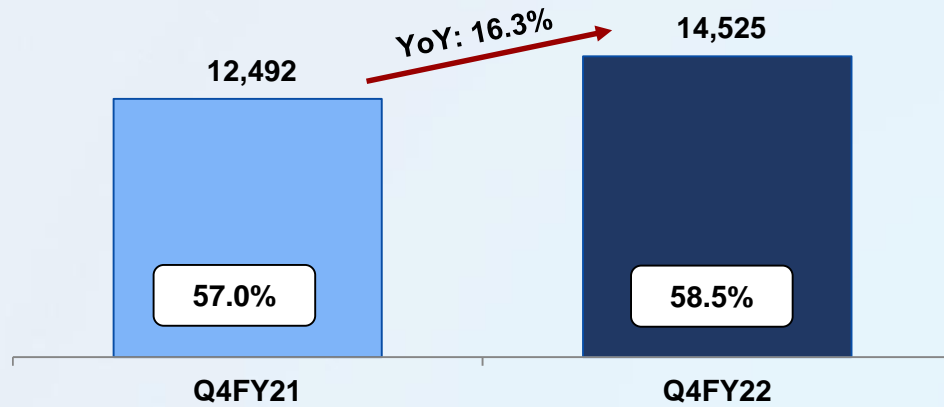
## International sales



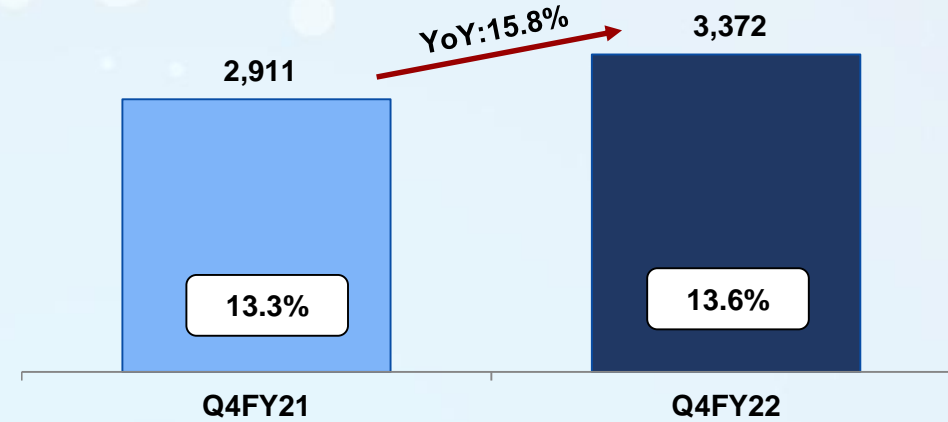
# Key Financial Highlights – Q4FY22 (Consolidated)

All figures in ₹ mn

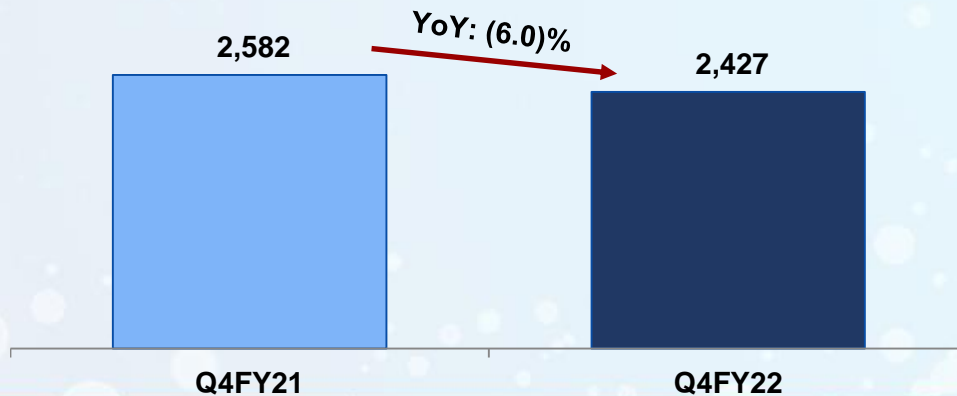
## Gross Profit and Gross Margin



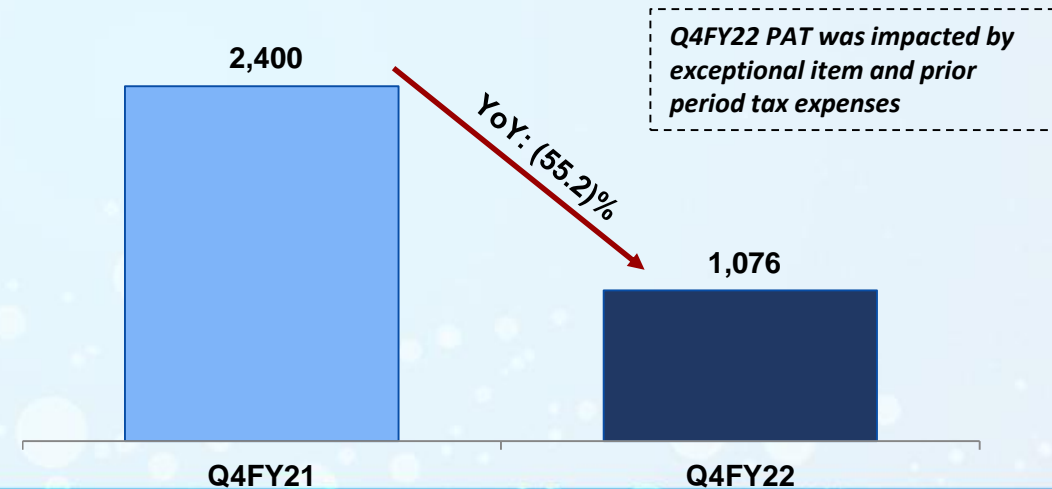
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)



# Key Financial Highlights – FY22 (Consolidated)

All figures in ₹ mn

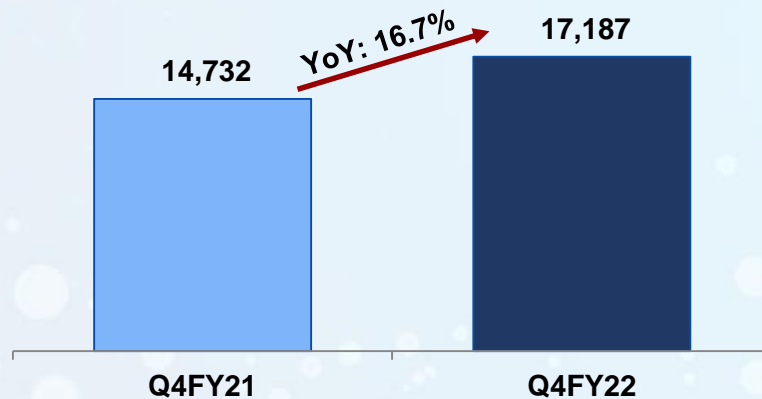
Particulars (₹ mn)	FY22	FY21	YoY growth
Revenue from Operations	106,342	88,650	20.0%
Gross Profit	64,539	53,665	20.3%
Gross Profit margin	60.7%	60.5%	
EBITDA	20,529	19,424	5.7%
EBITDA margin	19.3%	21.9%	
PBT	18,443	18,421	0.1%
PBT margin	17.3%	20.8%	
PAT (After Minority Interest)	16,456	15,850	3.8%
PAT margin	15.5%	17.9%	
EPS (₹ / share)	137.63	132.57	3.8%

# India Business

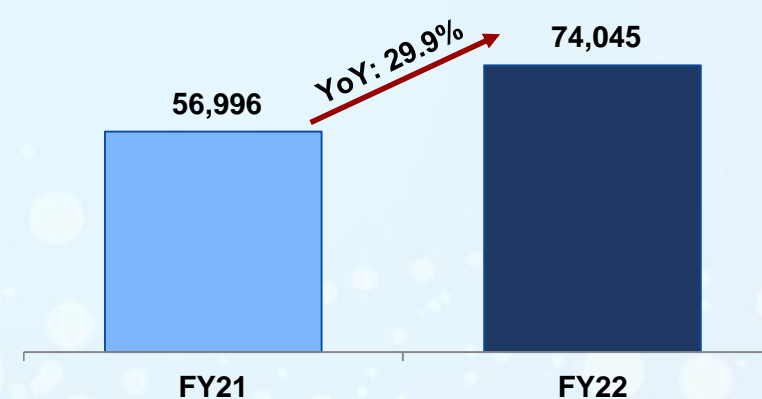
## India Business: Q4FY22 Sales of ₹ 17,187 million (16.7% YoY growth)

- India sales contributed 69.9% to total sales in Q4FY22
- In Q4FY22, the Company's secondary sales grew by 15.3% YoY compared to IPM growth of 9.6% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment helped by COVID-19 tailwinds
- During FY22, the Company also outperformed IPM in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma
- Company's Trade Generic business delivered a robust growth during the year, despite the high base of last financial year

Q4FY22 – India Sales (₹ mn)

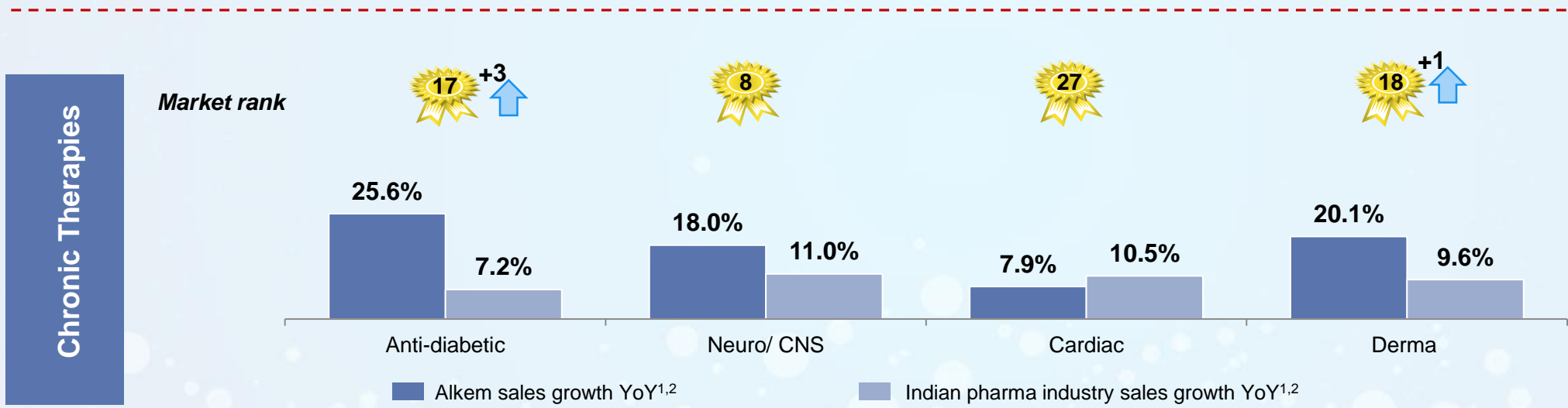
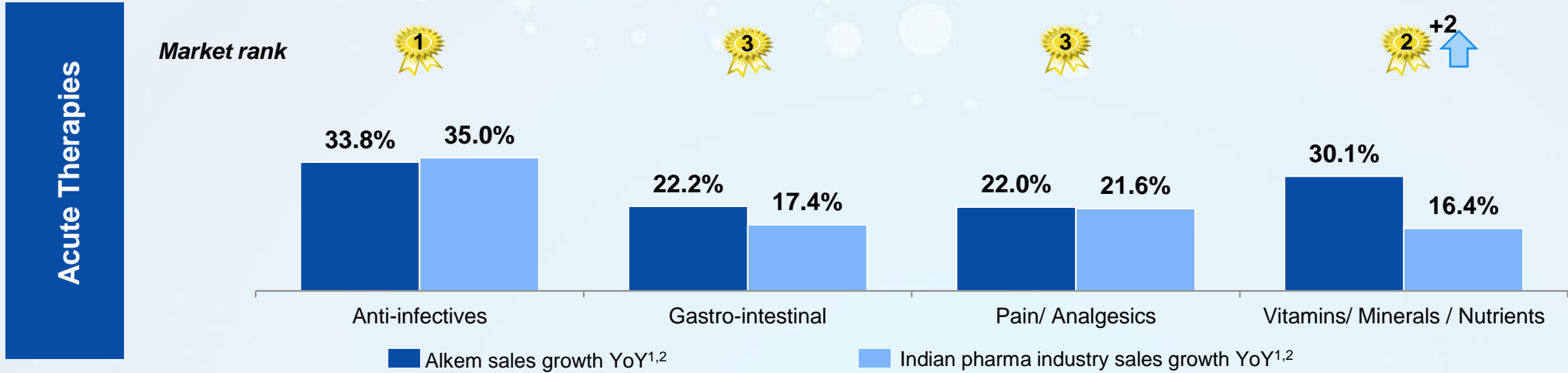


FY22 – India Sales (₹ mn)



# Secondary Sales Performance

Healthy growth across all the major therapeutic segments in FY22



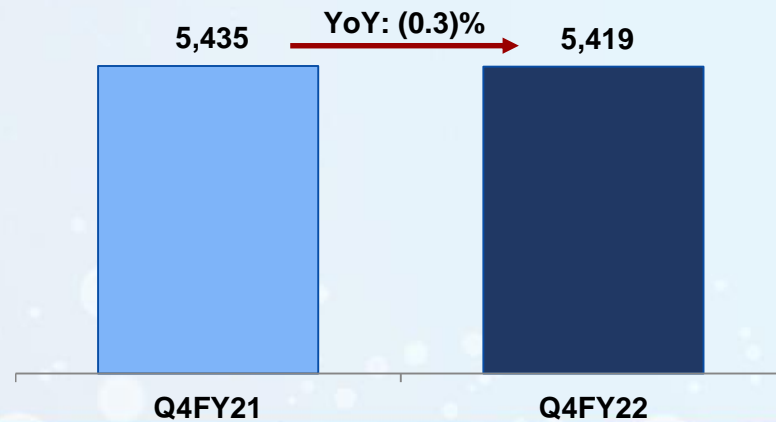
Source: IQVIA data <sup>1</sup> Domestic formulations sales; <sup>2</sup> For 12 months ended March 31, 2022

# US Business

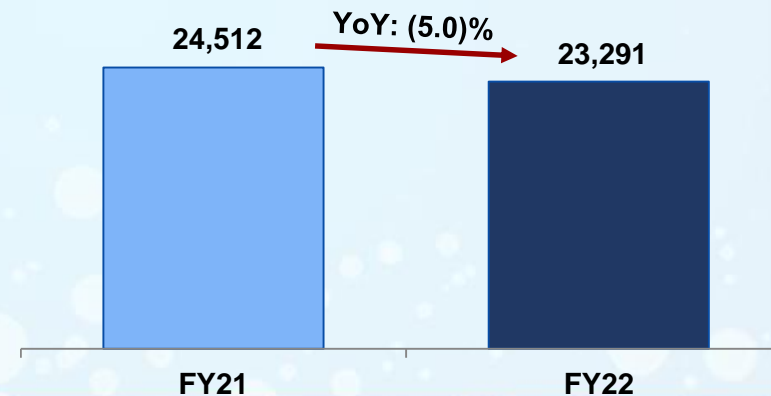
## US Business: Q4FY22 Sales of ₹ 5,419 million (YoY decline of 0.3%)

- US sales contributed 22.0% to total sales in Q4FY22
- Growth during the quarter and year was impacted by significant pricing pressure in the US generic market
- During the quarter Q4FY22, the Company filed 6 ANDAs with the US FDA and received 3 final approvals
- As on March 31, 2022, the Company has filed a total of 163 ANDAs (including 2 NDAs) with the US FDA and has received 123 approvals (including 13 tentative approvals and 2 NDAs)
- All the six manufacturing facilities for the US market has an EIR, indicating successful closure of the US FDA inspection

**Q4FY22 – US Sales (₹ mn)**



**FY22 – US Sales (₹ mn)**



# US Business

## Update on US FDA inspections

Manufacturing facility	Capability	Last inspection	Status post last inspection
<b>Taloja (India)</b>	Bioequivalence Centre	April 2022	Successfully closed inspection without any observations
<b>St. Louis (US)</b>	Formulations	June 2021	Inspection is closed. EIR# received in March 2022
<b>Baddi (India)</b>	Formulations	February 2020	Inspection is closed. EIR# received in March 2020
<b>Daman (India)</b>	Formulations	August 2019	Inspection is closed. EIR# received in October 2019
<b>California (US)</b>	APIs	August 2018	Inspection is closed. EIR# received in October 2018
<b>Ankleshwar (India)</b>	APIs	December 2016	Inspection is closed. EIR# received in March 2017
<b>Mandva (India)</b>	APIs	September 2015	Inspection is closed. EIR# received in March 2016

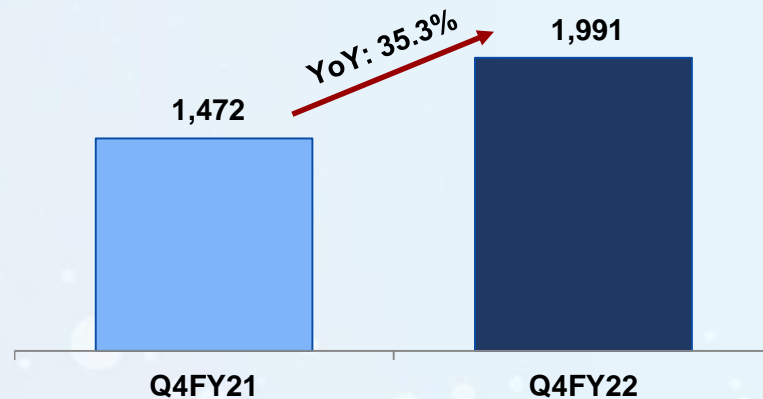
# EIR – Establishment Inspection Report

# Other International Business

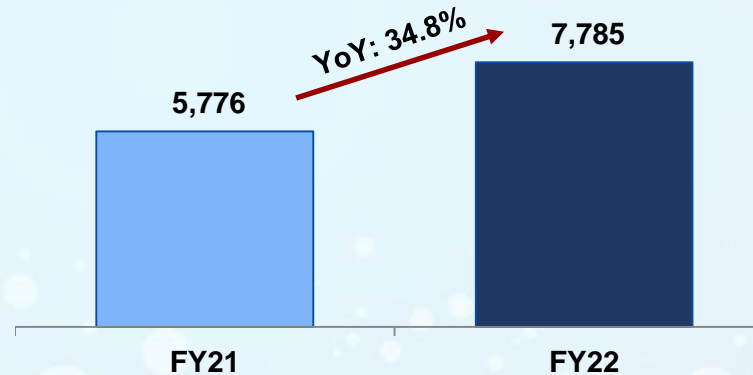
**Other International Business: Q4FY22 Sales of ₹ 1,991 million (35.3% YoY growth)**

- Other International Market sales contributed 8.1% to total sales in Q4FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines and Kazakhstan registered healthy growth during Q4FY22 and FY22

**Q4FY22 – Other International Sales**  
(₹ mn)



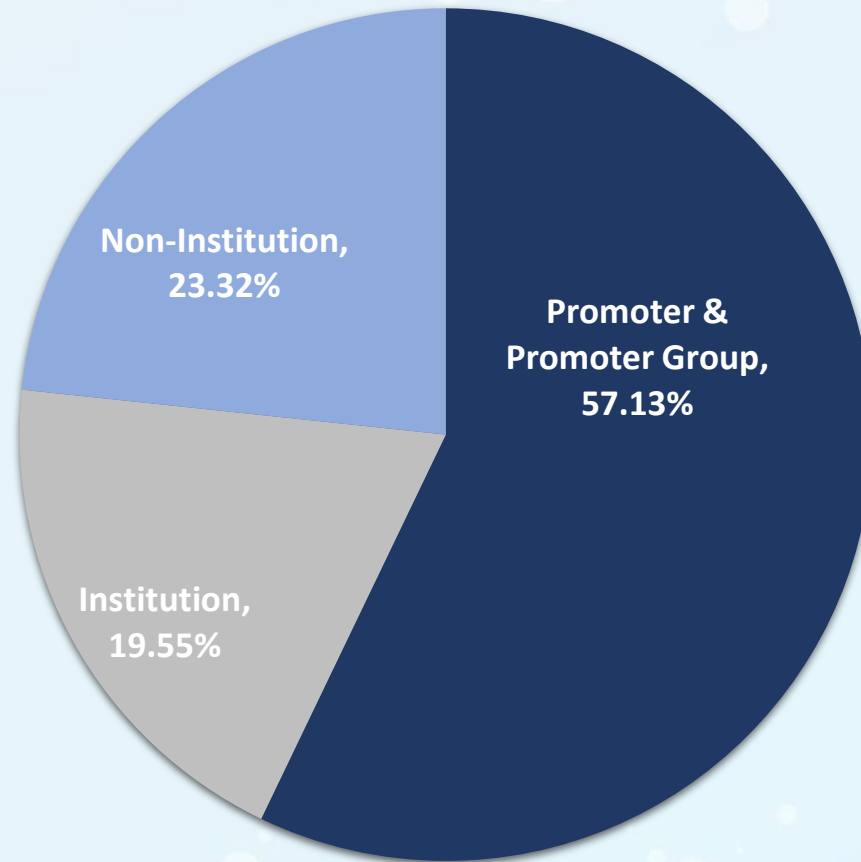
**FY22 – Other International Sales**  
(₹ mn)





# Latest Shareholding Pattern

Shareholding pattern as on March 31, 2022



*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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