

**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

19th May, 2023

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited 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 Q4FY23 and FY23 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 Q4FY23 and FY23 earnings and business updates and the same will be uploaded on the website of the Company.

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 Q4FY23 and FY23 results

Mumbai, May 19, 2023: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the fourth quarter and twelve months ended March 31, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q4FY23 financial performance

- Total Revenue from Operations was ₹ 29,026 million, year-on-year growth of 16.9%
 - India sales were ₹ 20,113 million, year-on-year growth of 17.0%
 - International sales were ₹ 8,570 million, year-on-year growth of 15.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 3,533 million, resulting in EBITDA margin of 12.2% vs. 13.6% in Q4FY22. EBITDA grew by 4.8% YoY
- R&D expenses for the quarter was ₹ 1,472 million, or 5.1% of total revenue from operations compared to ₹ 1,635 million in Q4FY22 at 6.6% of total revenue from operations
- Profit before tax (PBT) was ₹ 2,117 million, a decline of 12.8% compared to Q4FY22
 - Exceptional Item of ₹ 1,030 million debit was on account of impairment of fixed assets.
- Net Profit (after Minority Interest) was ₹ 710 million, year-on-year decline of 34.0%

Key highlights of FY23 financial performance

- Total Revenue from Operations was ₹ 115,993 million, year-on-year growth of 9.1%
 - India sales were ₹ 80,011 million, year-on-year growth of 8.1%
 - International sales were ₹ 34,393 million, year-on-year growth of 10.7%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 16,095 million, resulting in EBITDA margin of 13.9% vs. 19.3% in FY22. EBITDA declined by 21.6% YoY
- R&D expenses for FY23 was ₹ 5,394 million, or 4.7% of total revenue from operations compared to ₹ 5,674 million in FY22 at 5.3% of total revenue from operations
- Profit before tax (PBT) was ₹ 13,048 million, a decline of 29.3% compared to FY22
 - Exceptional Item of ₹ 1,030 million debit was on account of impairment of fixed assets.
- Net Profit (after Minority Interest) was ₹ 9,842 million, year-on-year decline of 40.2%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“In FY23, India business outperformed the market with exceptional performance surpassing industry benchmarks and achieved good growth on a large base while our US performance was impacted due to significant pricing pressure. Our biotech franchise, Enzene raised funds from Eight Roads Ventures and F-Prime Capital during the year. Enzene also received approval for launch of 3 more mAbs in Indian market and made significant strides in conducting global trials for launch of select biosimilars in regulated markets. While we are very confident about growth, our primary focus going forward is to drive profitability and operational efficiency through cost optimization, process improvements, and streamlining operations thereby maximizing value for our stakeholders.”*



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Operational Highlights

Domestic Business

In Q4FY23, the Company's India sales grew by 17.0% YoY, recording sales of ₹ 20,113 million as compared to ₹ 17,187 million in Q4FY22. For FY23, the Company's India sales was ₹ 80,011 million compared to ₹ 74,045 million in FY22 – growth of 8.1% YoY.

As per secondary sales data by IQVIA, for the quarter ended March 31, 2023, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 22.5% YoY compared to IPM growth of 14.9% YoY. Even for the full year FY23, the Company outperformed the IPM with growth of 12.8% YoY compared to IPM growth of 7.9% YoY. The contribution of new introductions to our growth was 3.1% significantly surpassing IPM at 2.3%, underscoring our exceptional ability to introduce and successfully commercialize new products. Acute therapies like Anti-infectives, gastro intestinal, and pain management outperformed the market both in Q4 and FY23 thereby increasing the market share and maintaining its leadership position. The Company also significantly outperformed the IPM in the chronic therapy areas of neuro / CNS, anti-diabetes and derma. Company gained 2 ranks each in both anti-diabetic segment and Neuro / CNS segment in FY23. Company's trade generic business delivered steady incremental growth in FY23 despite large base of last year.

The performance highlights of the key therapeutic segments in Q4FY23 and FY23 are as shown in the table below:

Key Therapy segment	Q4FY23				FY23			
	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	29.7%	28.2%	1	Unchanged	8.6%	6.2%
Gastro Intestinal	3	Unchanged	14.6%	14.5%	3	Unchanged	17.5%	12.3%
Pain / Analgesics	3	Unchanged	23.4%	15.3%	3	Unchanged	18.4%	12.4%
VMN**	2	Unchanged	2.2%	8.7%	2	Unchanged	2.5%	3.5%
Neuro / CNS	7	+2	35.7%	12.8%	7	+2	19.8%	11.5%
Derma	19	+1	34.2%	9.3%	19	Unchanged	16.0%	6.2%
Cardiac	28	-1	8.4%	13.1%	28	-1	1.3%	8.7%
Anti-Diabetic	15	+4	37.2%	9.3%	16	+2	29.4%	6.8%
Respiratory	18	-1	27.0%	25.2%	17	Unchanged	14.8%	7.0%
Total	5	Unchanged	22.5%	14.9%	5	Unchanged	12.8%	7.9%

*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 Q4FY23, the Company's International sales grew by 15.6% YoY, recording sales of ₹ 8,570 million as compared to ₹ 7,411 million in Q4FY22. For FY23, the Company's International sales grew by 10.7% to ₹ 34,393 million compared to ₹ 31,075 million in FY22.

- **US sales** for the quarter was ₹ 5,916 million compared to ₹ 5,419 million in Q4FY22, recording a year-on-year growth of 9.2 %. For FY23, US sales was ₹ 25,134 million, compared to ₹ 23,291 million in FY22 - a year-on-year growth of 7.9% YoY.
- **Other International Markets sales** for the quarter was ₹ 2,654 million compared to ₹ 1,991 million in Q4FY22, recording a year-on-year growth of 33.3%. For FY23, Other International Markets sales was ₹ 9,259 million compared to ₹ 7,785 million in FY22 - a year-on-year growth of 18.9% YoY.

R&D Investments

During the quarter, the Company filed 4 abbreviated new drug applications (ANDAs) with the US FDA and received 3 tentative approvals. For FY23, the Company filed 12 ANDAs with the US FDA and received 14 approvals (including 7 tentative approvals).

As on March 31, 2023, the Company has filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 132 ANDAs (including 17 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Successfully closed without any observations.
St. Louis (US)	Formulations	November 2022	EIR# received in December 2022, thereby successfully closing the inspection.
Taloja (India)	Bioequivalence Centre	October 2022	Successfully closed without any observations.
Indore (India)	Formulations	July 2022	EIR# received in February 2023, thereby successfully closing the inspection.
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)	API	August 2018	Successfully closed without any observations. EIR received in October 2018.

EIR – Establishment Inspection Report

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Q4FY23 and FY23 Conference Call at 4:00pm IST, May 19, 2023

Alkem will organize a conference call for investors and analysts on Friday, May 19, 2023 from 4:00 pm to 5:00 pm IST to discuss its Q4FY23 and FY23 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 19, 2023

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=6196737&linkSecurityString=2020c81efc>

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 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

For further information or queries, please contact**Amit Kumar Khandelia**

AVP Finance – Alkem Laboratories Ltd.

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E-mail: amit.khandelia@alkem.com



Alkem Laboratories Ltd.

Investor Presentation Q4FY23
May 19, 2023



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 FY23

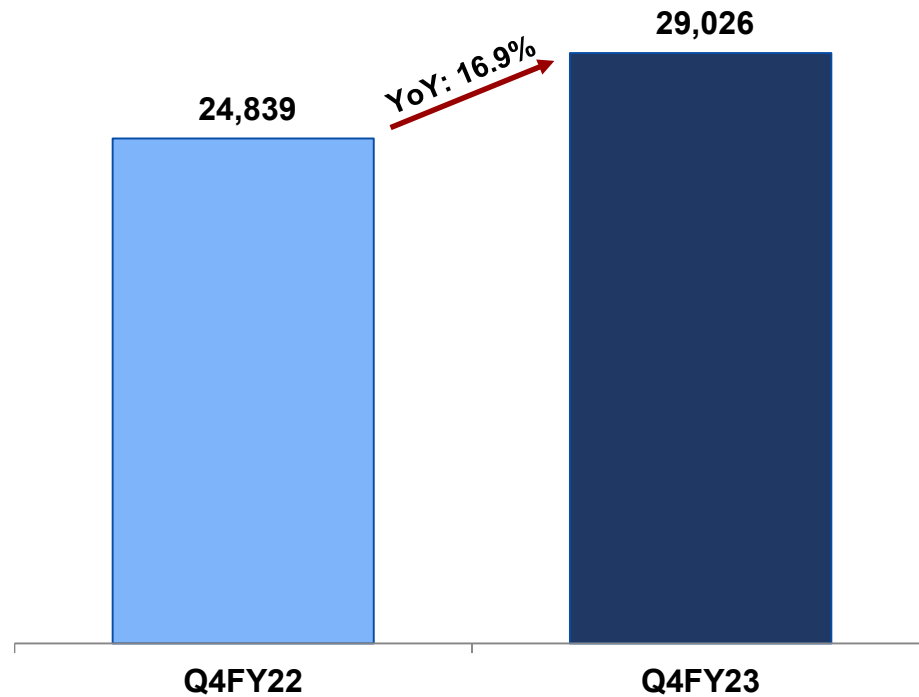
- **Revenue from Operation** grew by 9.1% during FY23, with EBITDA margin of 13.9% and Net Profit margin of 8.5%
- **India Business:** As per IQVIA, Company's sales in FY23 registered growth of 12.8% compared to IPM growth of 7.9%
 - Outperformed IPM growth by 498 basis points in FY23 gaining 18 basis points in market share [4.08% from 3.90%].
 - Unmatched leadership driving market share expansion across all acute therapies in FY23.
 - Prominent growth in anti-diabetic, CNS and urology gaining two rank in these therapies in FY23.
 - Trade generic business delivered incremental growth despite a large base.
- **US Business** saw significant pricing pressure during the year leading to marginal de-growth in term of constant currency.
- **R&D expenses** for FY23 was ₹5.4 billion at 4.7% of revenue from operations
- **Enzene Bio-sciences**
 - Increased offtake in already launched product due to market expansion and addition of commercialisation Partners.
 - Received approval for 3 mAbs in FY 23 - Adalimumab, Cetuximab and Bevacizumab.
- **Generated significant cash flow of ₹11.8 billion** resulting in net cash of ₹21.4 billion as on March 31, 2023.

Key Financial Highlights – Q4FY23 (Consolidated)

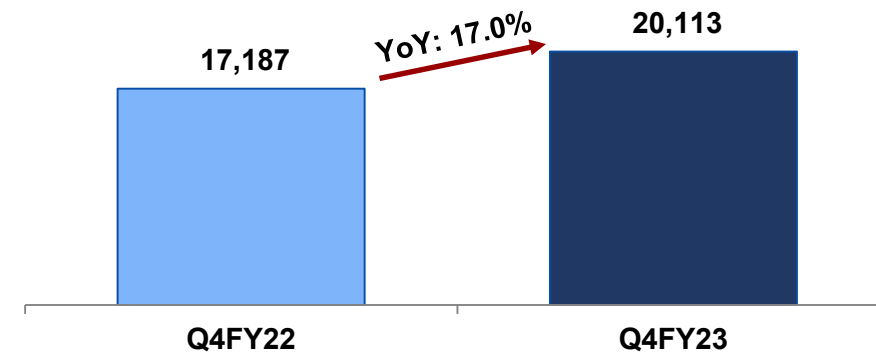


All figures in ₹ mn

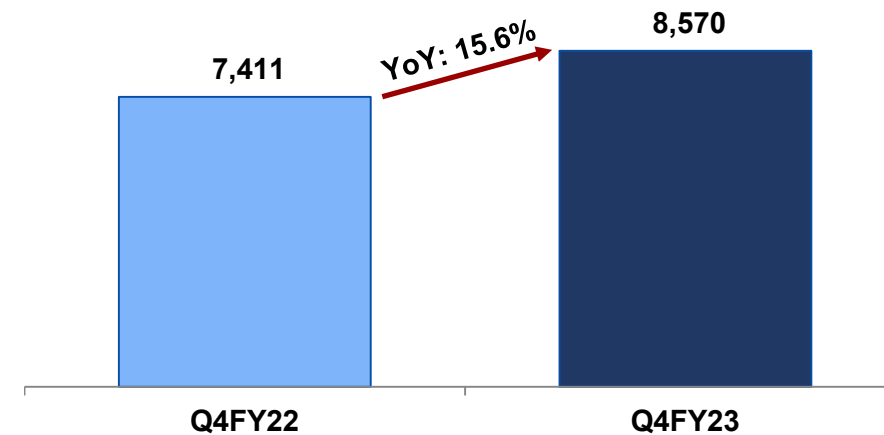
Revenue from Operations



India sales



International sales

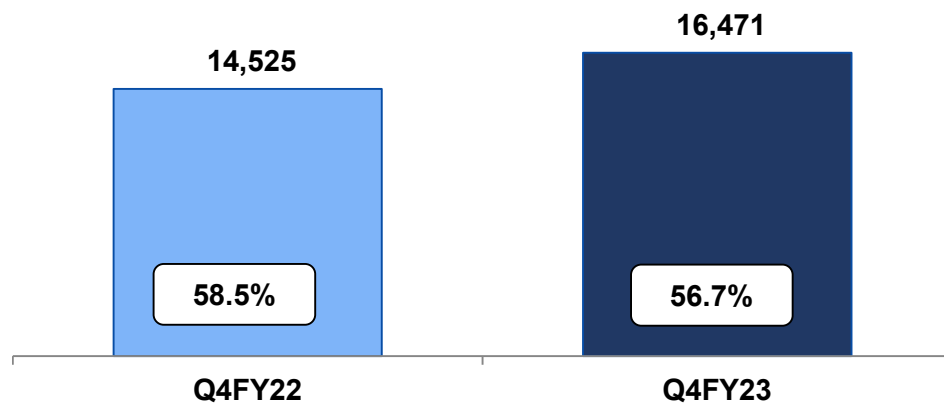


Key Financial Highlights – Q4FY23 (Consolidated)

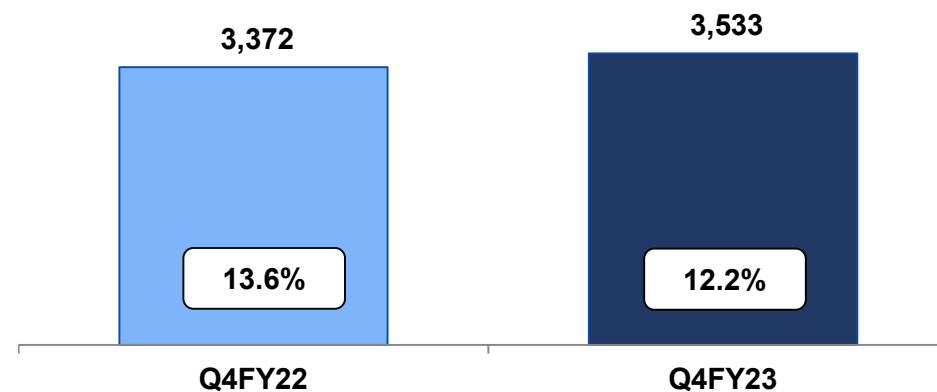


All figures in ₹ mn

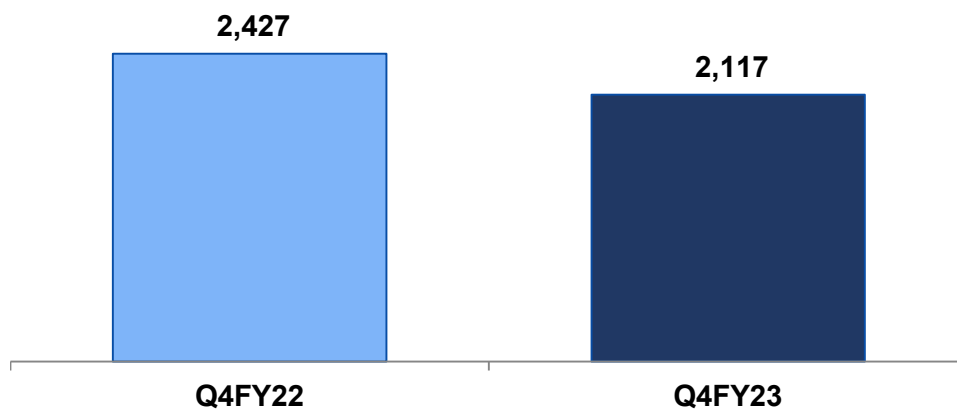
Gross Profit and Gross Margin



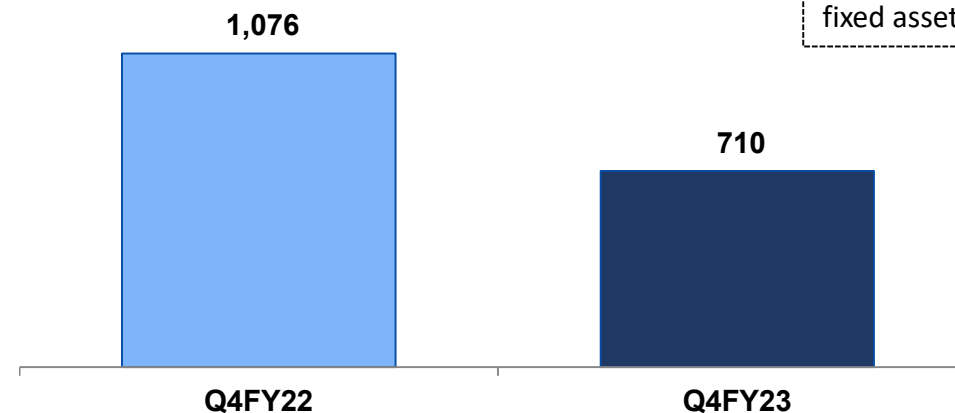
EBITDA and EBITDA Margin



PBT (after exceptional item)



PAT (after Minority Interest)



Q4FY23 was impacted by exceptional item on account of impairment of fixed assets.

Key Financial Highlights – FY23 (Consolidated)



All figures in ₹ mn

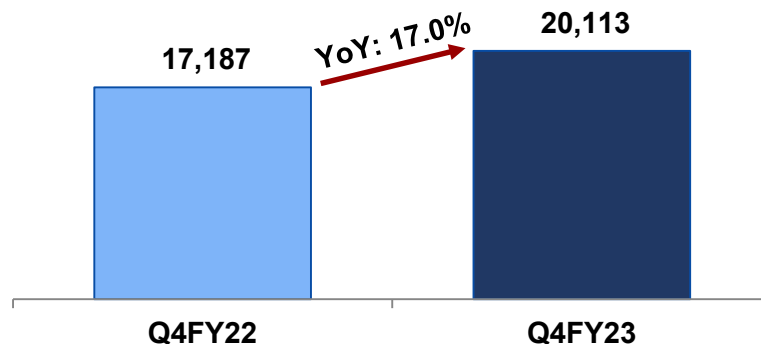
Particulars (₹ mn)	FY23	FY22	YoY growth
Revenue from Operations	115,993	106,342	9.1%
Gross Profit	66,924	64,539	3.7%
Gross Profit margin	57.7%	60.7%	
EBITDA	16,095	20,529	-21.6%
EBITDA margin	13.9%	19.3%	
PBT before exceptional item	14,078	18,592	-24.3%
Exceptional Item	(1,030)	(150)	
PBT after exceptional item	13,048	18,443	-29.3%
PBT margin	11.2%	17.3%	
PAT (After Minority Interest)	9,842	16,456	-40.2%
PAT margin	8.5%	15.5%	
EPS (₹ / share)	82.31	137.63	-40.2%

India Business

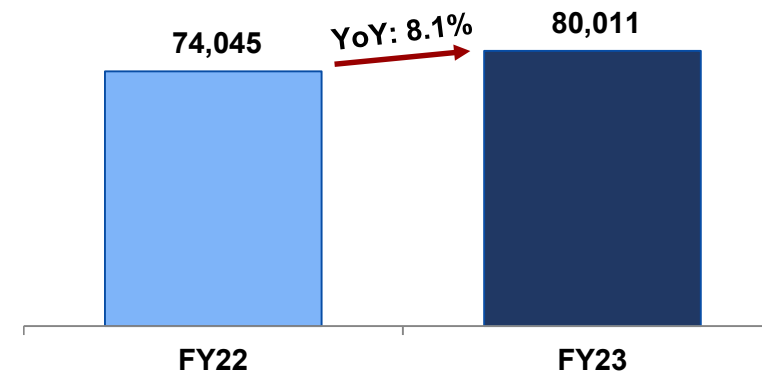
India Business: Q4FY23 Sales of ₹ 20,113 million (17.0% YoY growth)

- India sales contributed 70.1% to total sales in Q4FY23
- As per IQVIA, In Q4FY23, the Company's secondary sales grew by 22.5% significantly outperforming IPM growth of 14.9% YoY.
- Exceptional performance across all major acute therapies in Q4FY23 led by anti-infectives, gastrointestinal and pain management segment.
- Moved up 4 ranks in anti-diabetic, 3 ranks in urology, 2 ranks in Neuro / CNS and 1 rank in Derma growing in excess of 3X market growth.
- Trade Generic business delivered good growth despite large base of last year.

Q4FY23 – India Sales (₹ mn)



FY23 – India Sales (₹ mn)

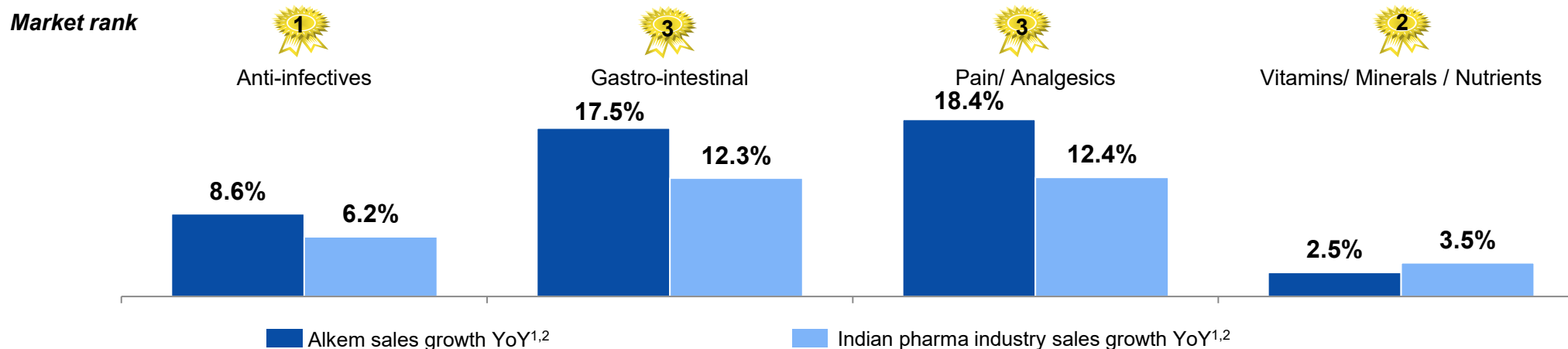


Secondary Sales Performance

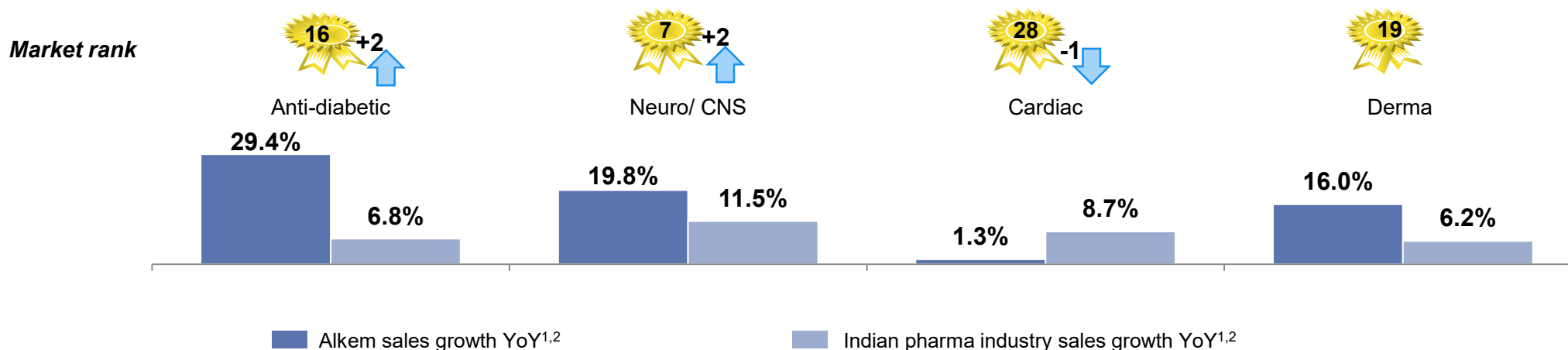


Exemplary Performance in Almost Every Therapy in FY23

Acute Therapies



Chronic Therapies



Source: IQVIA data ¹ Domestic formulations sales; ² For 12 months ended March 31, 2023

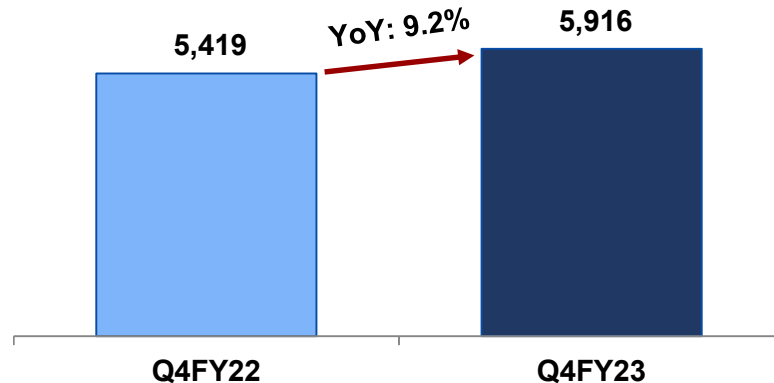
US Business



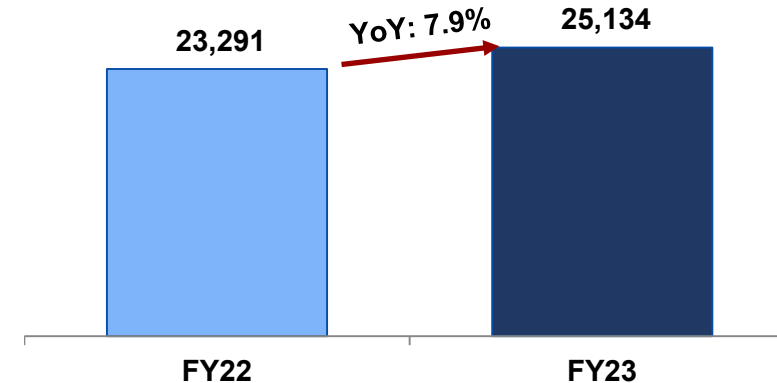
US Business: Q4FY23 Sales of ₹ 5,916 million (9.2% YoY growth)

- US sales contributed 20.6% to total sales in Q4FY23
- During the quarter, the US business registered growth in ₹ terms mainly on account of currency depreciation.
- In Q4FY23, the Company filed 4 ANDAs with the US FDA and received 3 tentative approvals.
- As on March 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 132 ANDAs (including 17 tentative approvals) and 2 NDAs.

Q4FY23 – US Sales (₹ mn)



FY23 – US Sales (₹ mn)



US Business



Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Successfully closed inspection without any observations.
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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
Mandva (India)	API	September 2015	Inspection is closed. EIR# received in March 2016

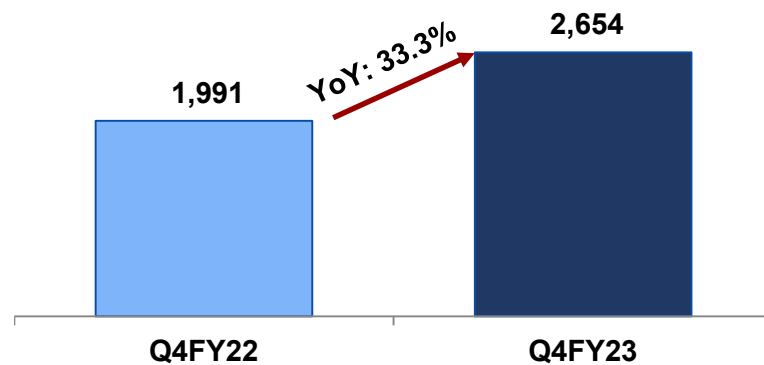
EIR – Establishment Inspection Report

Other International Business

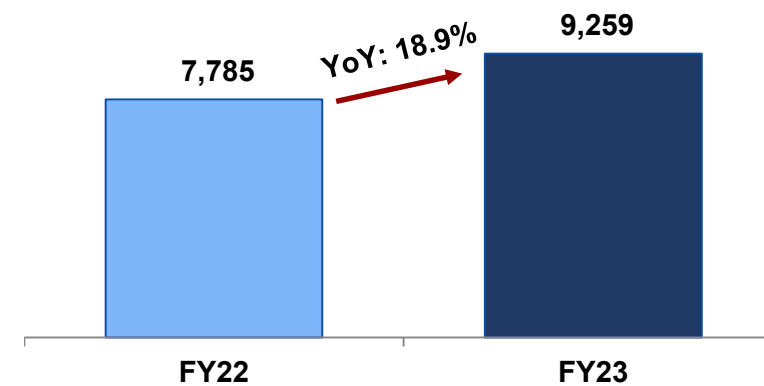
Other International Business: Q4FY23 Sales of ₹ 2,654 million (33.3% YoY growth)

- Other International Market sales contributed 9.3 % to total sales in Q4FY23
- The Company has presence in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, Philippines, Kazak and UK registered good growth in FY23.

Q4FY23 – Other International Sales
(₹ mn)



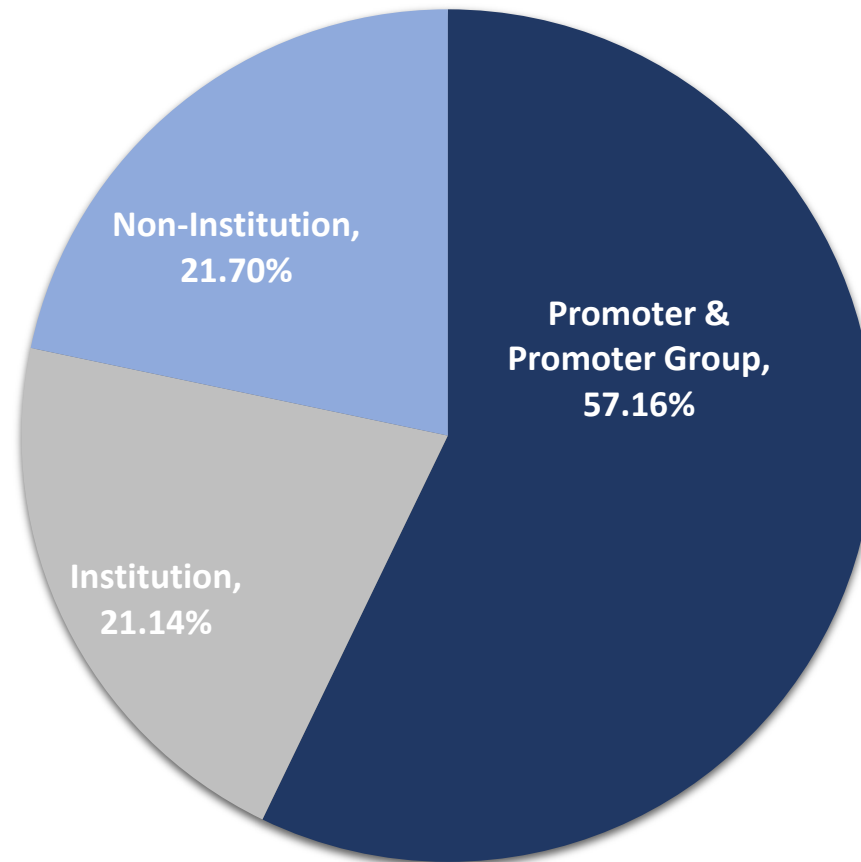
FY23 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on March 31, 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

Thank You

For further information or queries, please contact

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E-mail: amit.khandelia@alkem.com