

**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

07th November, 2023

To,

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 Q2FY24 Results and H1FY24 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 Q2FY24 and H1FY24 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 Q2FY24 and H1FY24 results

Mumbai, November 7, 2023: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the second quarter ended September 30, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q2FY24 financial performance

- Total Revenue from Operations was ₹ 34,402 million, year-on-year growth of 11.7%
 - India sales were ₹ 23,278 million, year-on-year growth of 5%
 - International sales were ₹ 10,542 million, year-on-year growth of 27.1%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 7,467 million, resulting in EBITDA margin of 21.7% vs. 14.7% in Q2FY23. EBITDA increased by 64.5% YoY
- R&D expenses for the quarter was ₹ 1,158 million, or 3.4% of total revenue from operations compared to ₹ 1,305 million in Q2FY23 at 4.2% of total revenue from operations
- Profit before tax (PBT) after exceptional item was ₹ 6,480 million, a growth of 61.1% compared to Q2FY23
 - Exceptional item of ₹ 577 million debit was on account of impairment of fixed assets
- Net Profit (after Minority Interest) was ₹ 6,205 million, year-on-year growth of 87.6%

Key highlights of H1FY24 financial performance

- Total Revenue from Operations was ₹ 64,079 million, year-on-year growth of 13.3%
 - India sales were ₹ 42,285 million, year-on-year growth of 5.8%
 - International sales were ₹ 20,688 million, year-on-year growth of 30.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 11,359 million, resulting in EBITDA margin of 17.7% vs. 11.6% in H1FY23. EBITDA increased by 72.9% YoY
- R&D expenses for H1FY24 was ₹ 2,360 million, or 3.7% of total revenue from operations compared to ₹ 2,625 million in H1FY23 at 4.6% of total revenue from operations
- Profit before tax (PBT) after exceptional item was ₹ 10,009 million, a growth of 80.6% compared to H1FY23
 - Exceptional item of ₹ 577 million debit was on account of impairment of fixed assets
- Net Profit (after Minority Interest) was ₹ 9,073 million, year-on-year growth of 97.9%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said " *Continuing our trend of improved performance, Q2 builds on the momentum gained in Q1 with significant gross margin enhancements backed by lower raw material cost and lower intensity of price erosion in US market and increased operating leverage, resulting in improved EBITDA margins. Domestic growth for the quarter remained subdued due to sporadic monsoon. However, we observed significant traction in the domestic market during the month of September and anticipate continued momentum in the coming quarter. Our international business, both US and Non-US market maintains its robust performance, which was evident in Q1 and continues to flourish. Our biosimilars portfolio is performing impressively, with Enzene's latest product addition (Ranibizumab), taking the product suite to 7, and witnessing significant traction in the domestic biosimilars market. 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 Q2FY24, the Company's India sales increased by 5.0% YoY, recording sales of ₹ 23,278 million as compared to ₹ 22,161 million in Q2FY23. For H1FY24, the Company's India sales was ₹ 42,285 million compared to ₹ 39,976 million in H1FY23 – growth of 5.8% YoY.

As per secondary sales data by IQVIA for the quarter ended September 30, 2023, the Company delivered a YoY growth of 6.5% compared to Indian Pharmaceutical Market (IPM) growth of 7.0% YoY. The acute segment experienced a modest uptick in activity during the quarter, with intermittent monsoons initially impacting growth. However, as the quarter drew to a close, particularly in September, the market gained momentum. The company remains on a steady course in chronic therapies, achieving a year-on-year growth of 11.7%, surpassing the Indian Pharmaceutical Market (IPM) growth of 9.1% year-on-year. Chronic therapies such as Anti-Diabetic, Neuro/CNS, and Cardiac are outpacing the market, thereby increasing their market share. 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 Q2FY24 and H1FY24 are as shown below:

Key Therapy segment	Q2FY24				H1FY24			
	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	1.3%	1.7%	1	Unchanged	3.7%	5.7%
Gastro Intestinal	3	Unchanged	14.7%	8.4%	3	Unchanged	9.9%	6.9%
Pain / Analgesics	3	Unchanged	6.0%	7.3%	3	Unchanged	8.1%	9.0%
VMN**	2	Unchanged	7.9%	6.9%	2	Unchanged	6.3%	6.8%
Neuro / CNS	7	+1	9.1%	7.9%	7	+1	10.6%	8.5%
Derma	19	-1	4.9%	5.5%	19	Unchanged	12.3%	6.9%
Cardiac	27	+1	9.6%	9.4%	27	+1	8.5%	9.7%
Respiratory	14	Unchanged	-4.6%	-0.2%	15	-1	1.6%	4.9%
Anti-Diabetic	15	+2	23.3%	4.9%	15	+1	26.5%	5.9%
Total	5	Unchanged	6.5%	7.0%	5	Unchanged	7.2%	8.1%

*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 Q2FY24, the Company's International sales grew by 27.1% YoY, recording sales of ₹ 10,542 million as compared to ₹ 8,291 million in Q2FY23. For H1FY24, the Company's International sales grew by 30.2% to ₹ 20,688 million compared to ₹ 15,895 million in H1FY23.

- **US sales** for the quarter was ₹ 7,675 million, recording a year-on-year growth of 27.1%. For H1FY24, US sales was ₹ 14,630 million, compared to ₹ 11,605 million in H1FY23, a growth of 26.1% YoY.
- **Other International Markets sales** for the quarter was ₹ 2,866 million, recording a year-on-year growth of 27.3%. For H1FY24, Other International Markets sales was ₹ 6,058 million compared to ₹ 4,290 million in H1FY23 - a growth of 41.2% YoY.

R&D Investments

During the quarter, the Company received 4 ANDA approvals (including 1 tentative approval) from USFDA. For H1FY24, the Company filed 1 ANDA with the US FDA and received 11 approvals (including 2 tentative approvals).

As on September 30, 2023, the Company filed a total of 174 ANDAs and 2 new drug applications (NDA) with the USFDA. Of these, it has received approvals for 140 ANDAs (including 15 tentative approvals) and 2 NDAs.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Inspection is closed. EIR [#] received in July 2023
St. Louis (US)	Formulations	November 2022	Inspection is closed. EIR [#] received in December 2022
Taloja (India)	Bioequivalence Centre	October 2022	Successfully closed without any observations
Indore (India)	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



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Q2FY24 and H1FY24 Conference Call at 5:30 pm IST, November 7, 2023

Alkem will organize a conference call for investors and analysts on Tuesday, November 7, 2023 from 5:30pm to 6:30pm IST to discuss its Q2FY24 financial results.

Alkem will be represented on the call by Mr. 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: 5:30 pm IST (GMT + 5:30) on Tuesday, November 7, 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=5999224&linkSecurityString=2230867398>

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

Amit Kumar Khandelia

VP Finance

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E-mail: amit.khandelia@alkem.com



Alkem Laboratories Ltd.

Investor Presentation Q2FY24

November 7, 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.

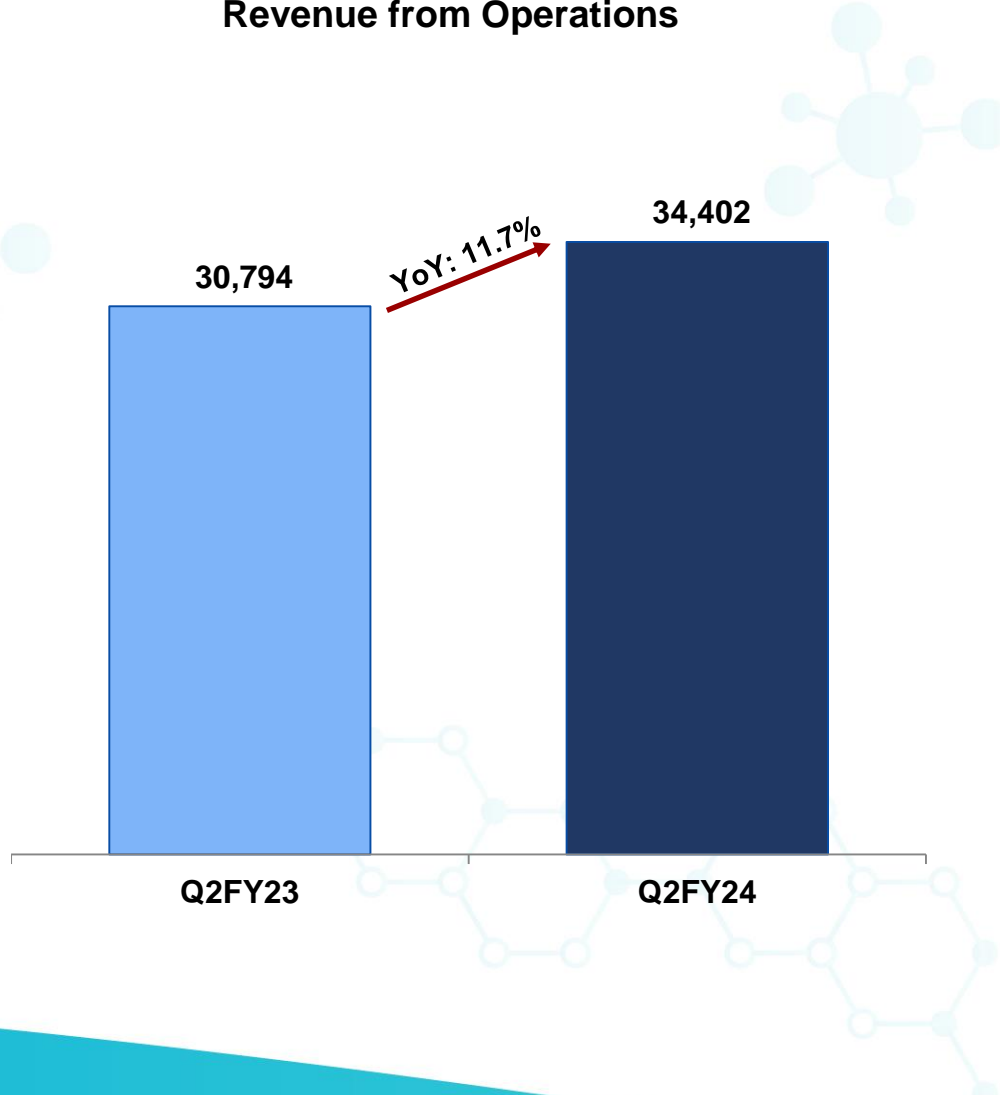
Key Highlights of Q2FY24

- **Revenue from Operation** grew by 11.7% YoY during the quarter, with EBITDA margin of 21.7% and Net Profit margin of 18.0%
- **India Business:** As per IQVIA, Company's sales in Q2FY24 registered growth of 6.5% compared to IPM growth of 7.0%
 - Domestic market displayed moderate growth during the quarter due to sporadic monsoon. However, the market gained momentum towards end, particularly in the month of September.
 - Chronic therapies are outpacing market growth. Gained two ranks in Anti-Diabetic and one rank each in Neuro/CNS and Cardiac therapy.
- **US Business** witnessed strong growth of 27.1% YoY compared to Q2FY23.
- **Non US Business** also saw strong growth of 27.3% YoY compared to Q2FY23.
- **R&D expenses** for the quarter was ₹1.16 billion at 3.4% of revenue from operations
 - The company received 4 approvals (including 1 tentative approval) from USFDA during the quarter
- **Enzene Bio-sciences**
 - 7th product (Ranibizumab) approved in the domestic market enhancing our presence in biosimilar market. All the products launched are demonstrating impressive market traction.
- **Healthy balance sheet with net cash of ₹29.0 billion** as on September 30, 2023.

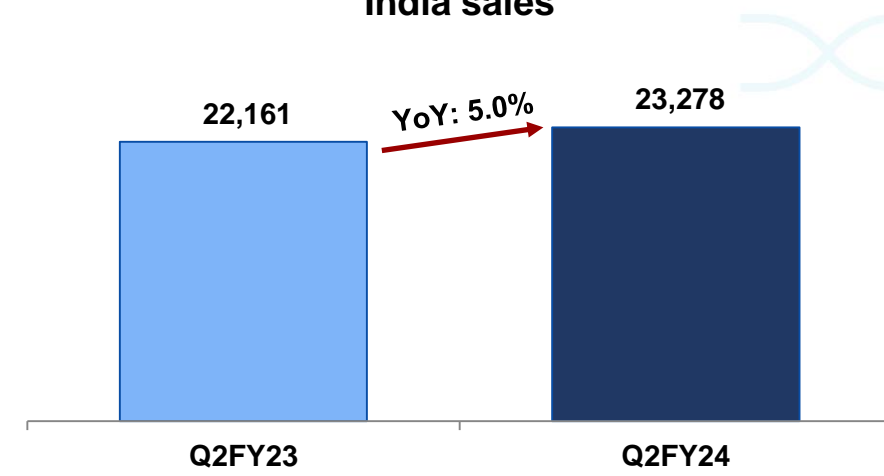
Key Financial Highlights – Q2FY24 (Consolidated)

All figures in ₹ mn

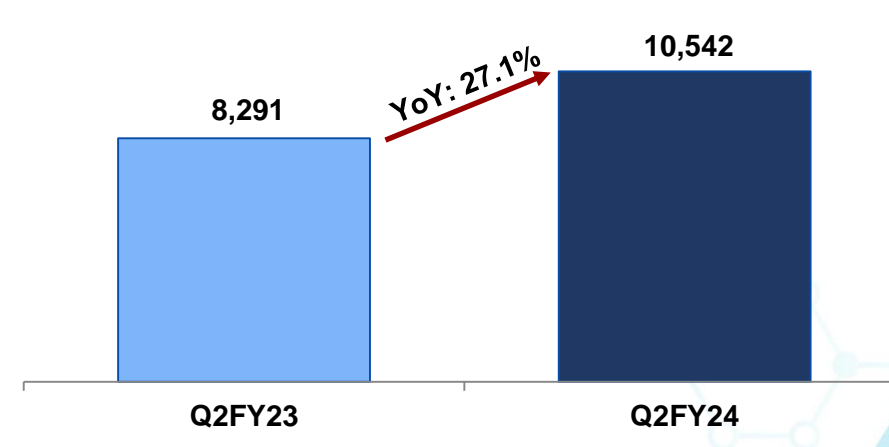
Revenue from Operations



India sales



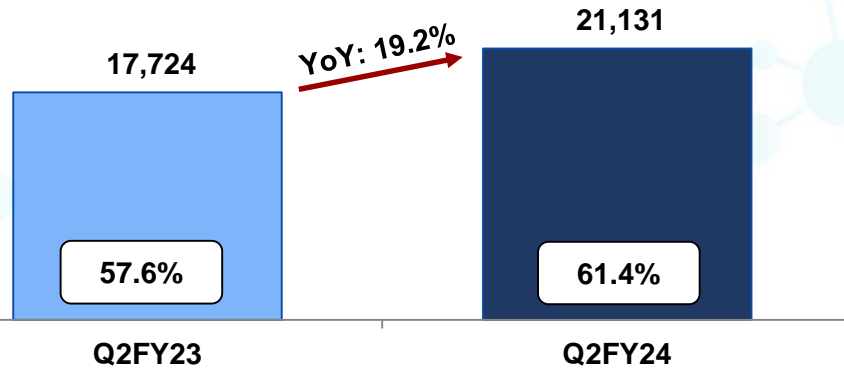
International sales



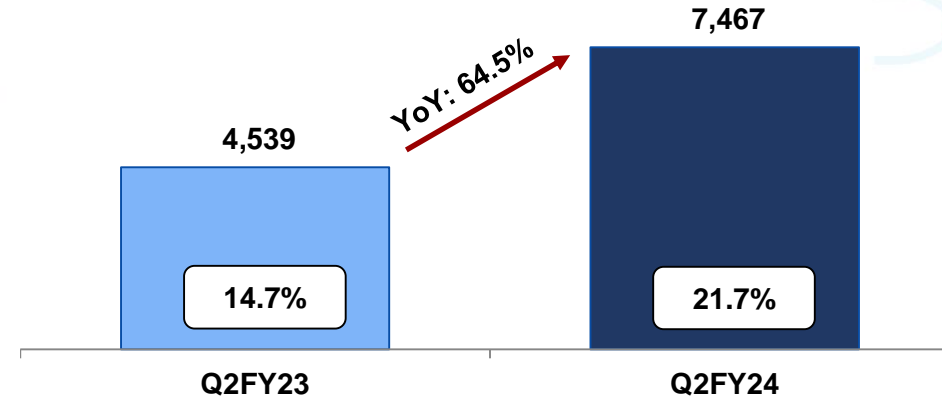
Key Financial Highlights – Q2FY24 (Consolidated)

All figures in ₹ mn

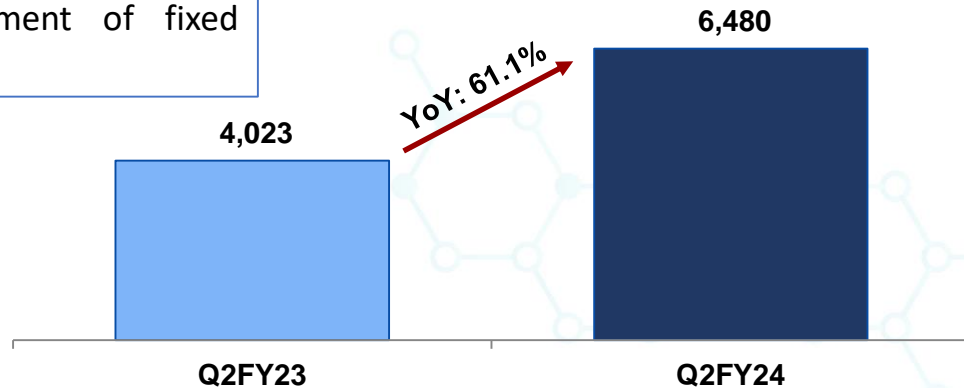
Gross Profit and Gross Margin



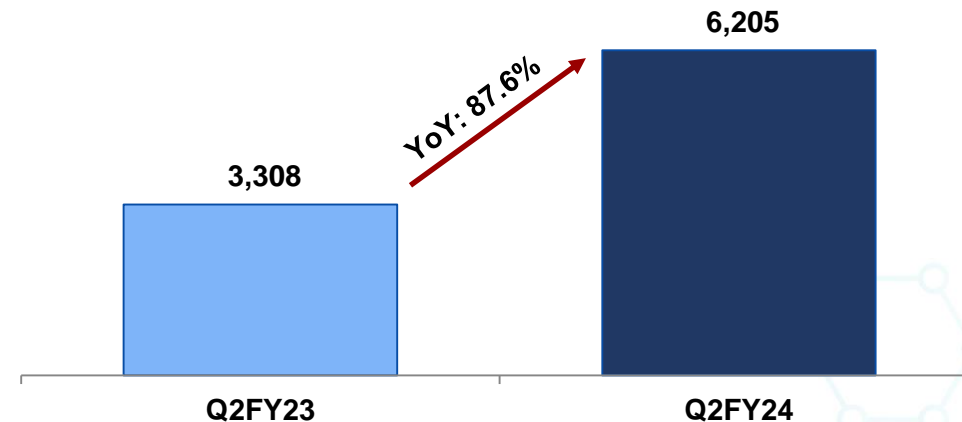
EBITDA and EBITDA Margin



PBT (after exceptional item)



PAT (after Minority Interest)



Q2FY24 was impacted by exceptional item on account of impairment of fixed assets.

Key Financial Highlights – H1FY24 (Consolidated)

All figures in ₹ mn

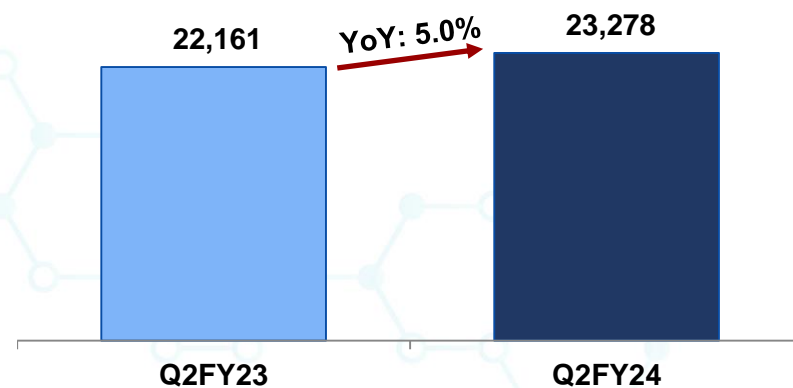
Particulars	H1FY24	H1FY23	YoY growth
Revenue from Operations	64,079	56,558	13.3%
Gross Profit	38,823	32,534	19.3%
Gross Profit Margin	60.6%	57.5%	
EBITDA	11,359	6,572	72.9%
EBITDA Margin	17.7%	11.6%	
PBT (before exceptional item)	10,586	5,542	91.0%
Exceptional item	(577)	-	
PBT (after exceptional item)	10,009	5,542	80.6%
PBT Margin	15.6%	9.8%	
PAT (after Minority interest)	9,073	4,585	97.9%
PAT Margin	14.2%	8.1%	
EPS (₹ / share)	75.88	38.35	97.9%

India Business

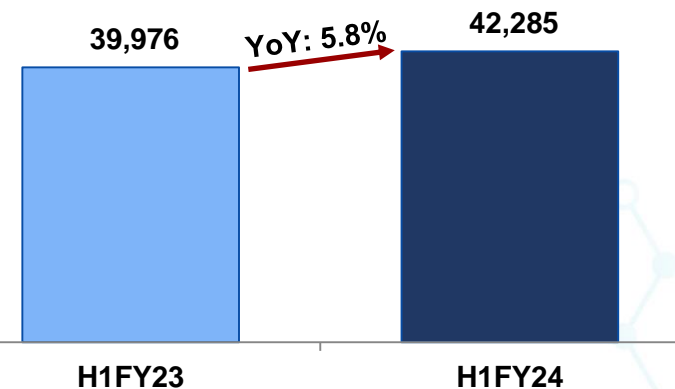
India Business: Q2FY24 Sales of ₹ 23,278 million (5.0% YoY growth)

- Contribution of domestic sales to total sales in Q2 FY24 was 68.8%
- As per IQVIA, in Q2FY24, the Company's secondary sales grew by 6.5% compared to IPM growth of 7.0% YoY.
- Although there has been subdued growth in the anti-infective sector due to sporadic rainfall, the other acute businesses continue to perform well.
- Anti-diabetic continues market beating performance gaining 2 ranks during the quarter. Dapanorm Trio is second best new introduction in industry in last 12 months.
- Trade generic has registered good growth during the quarter.

Q2FY24 – India Sales (₹ mn)



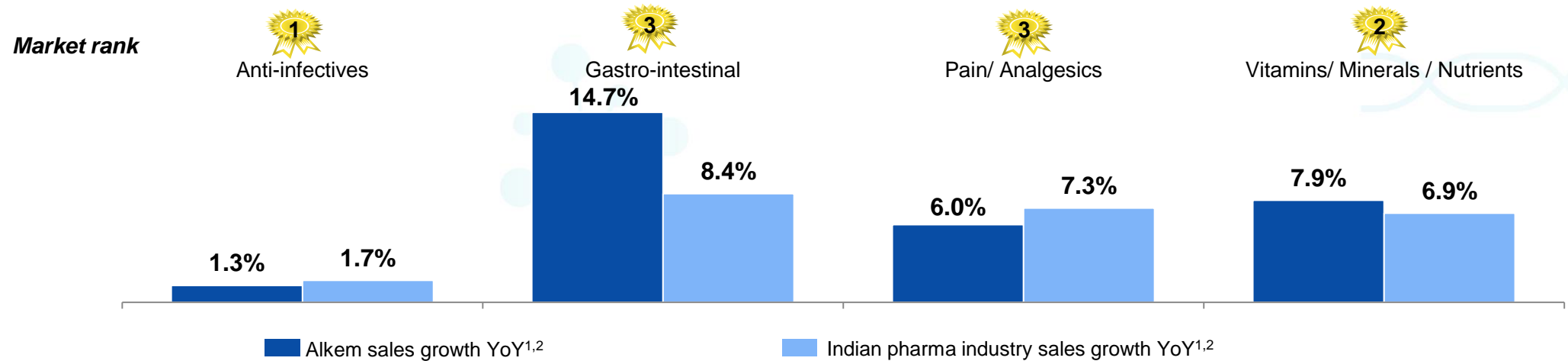
H1FY24 – India Sales (₹ mn)



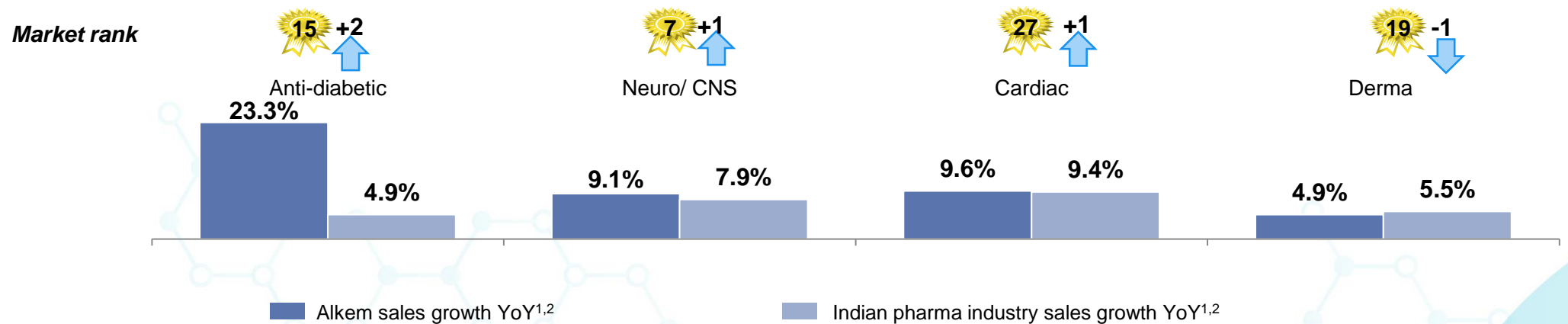
Secondary Sales Performance

Mixed performance across all major therapeutic segments in Q2FY24

Acute Therapies



Chronic Therapies



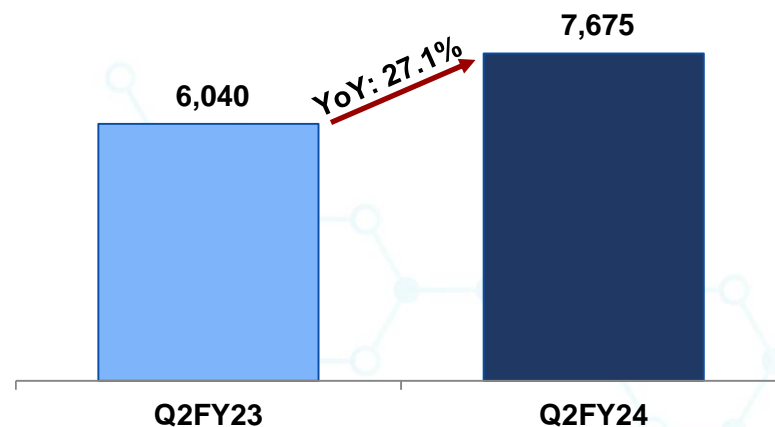
Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended September 30, 2023

US Business

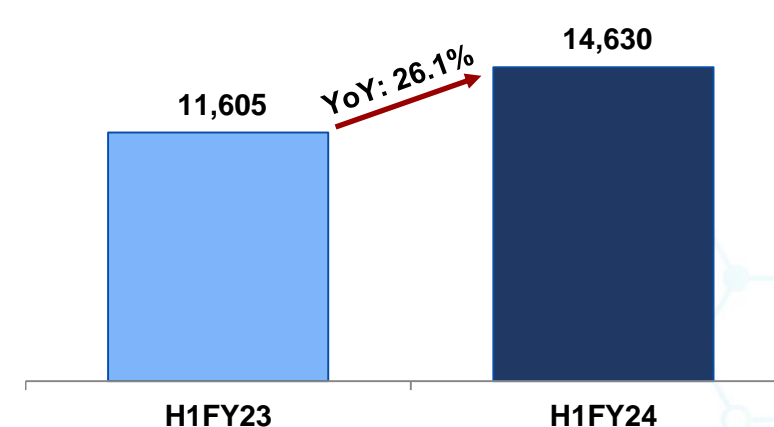
US Business: Q2FY24 Sales of ₹ 7,675 million (27.1% YoY growth)

- Overall contribution of US sales to total sales was 22.7% in Q2FY24
- During the quarter, the US business registered strong growth of 27.1% YoY and 10.4% QoQ.
- During Q2FY24, the Company received 4 ANDA approvals (including 1 tentative approvals) from USFDA.
- As on September 30, 2023, the Company filed a total of 174 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 140 ANDAs (including 15 tentative approvals) and 2 NDAs.

Q2FY24 – US Sales (₹ mn)



H1FY24 – US Sales (₹ mn)



US Business

Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
Ankleshwar (India)	API	April 2023	Inspection is closed. EIR# received in July 2023
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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

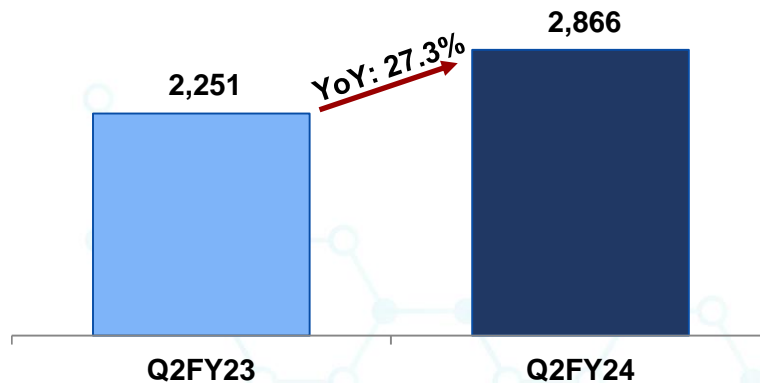
EIR – Establishment Inspection Report indicating successful closure of inspection

Other International Business

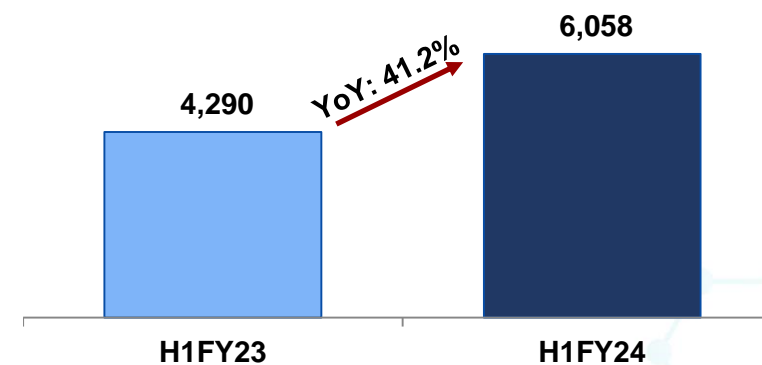
Other International Business: Q2FY24 Sales of ₹ 2,866 million (27.3% YoY growth)

- Other International Market sales contributed 8.5% to total sales in Q2FY24
- The Company has presence mainly in Latin America, Australia, Europe, South East Asia, Africa and CIS.
- All our major markets like Chile, UK, Kazak and Philippines have registered very strong growth during Q2FY24.

**Q2FY24 – Other International Sales
(₹ mn)**

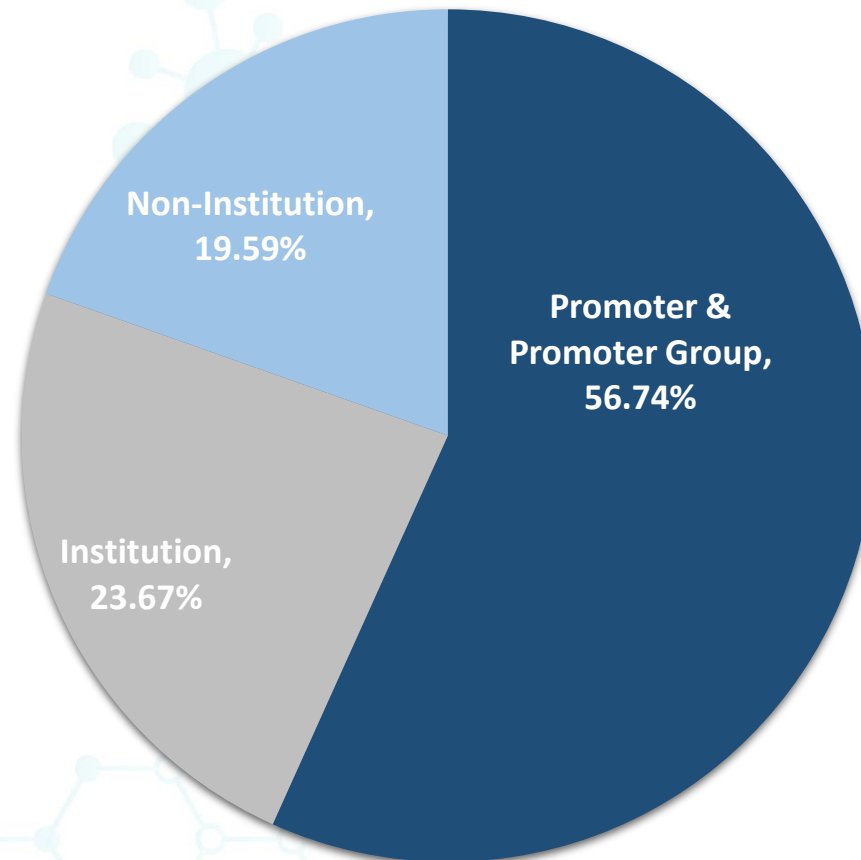


**H1FY24 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on September 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



Thank You

For further information or queries, please contact

Amit Kumar Khandelia

VP Finance

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E-mail: amit.khandelia@alkem.com

