

**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

10th August, 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 Q1FY24 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 Q1FY24 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 Q1FY24 results

Mumbai, August 10, 2023: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the first quarter ended June 30, 2023. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q1FY24 financial performance

- Total Revenue from Operations was ₹ 29,677 million, year-on-year growth of 15.2%
 - India sales were ₹ 19,007 million, year-on-year growth of 6.7%
 - International sales were ₹ 10,146 million, year-on-year growth of 33.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 3,892 million, resulting in EBITDA margin of 13.1% vs. 7.9% in Q1FY23. EBITDA increased by 91.5% YoY
- R&D expenses for the quarter was ₹ 1,202 million, or 4.1% of total revenue from operations compared to ₹ 1,320 million in Q1FY23 at 5.1% of total revenue from operations
- Profit before tax (PBT) was ₹ 3,529 million, a growth of 132.3% compared to Q1FY23
- Net Profit (after Minority Interest) was ₹ 2,867 million, year-on-year growth of 124.6%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said "We are starting the year on a healthy note, showcasing better operational performance driven by improved margins resulting from softening of select raw material prices, favourable currency impact, easing of freight cost and implementation of some of our cost optimization efforts. Our acute business growth was impacted by delayed onset of monsoon in certain parts of the country, yet we maintain an optimistic outlook for improved growth in Q2. International business achieved robust sales during the quarter, driven by substantial growth in our US operations and complemented by strong performance in non-US markets. Our biosimilar franchise, Enzene is steadily expanding its product portfolio in India, with two successful launches this quarter, bringing the total count of products to six—an impressive achievement for the company. Our cost optimization initiatives have started yielding tangible results and we remain committed on further unlocking operational efficiencies going forward."



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Operational Highlights

Domestic Business

In Q1FY24, the Company's India sales increased by 6.7% YoY, recording sales of ₹ 19,007 million as compared to ₹ 17,815 million in Q1FY23.

As per secondary sales data by IQVIA for the quarter ended June 30, 2023, the Company delivered a YoY growth of 7.6% compared to Indian Pharmaceutical Market (IPM) growth of 8.5% YoY. Delayed onset of the monsoon has led to slower than industry average growth for the company and more so in acute therapy. However, the company continues to maintain traction in chronic therapies delivering a YoY growth of 15.8% compared to Indian Pharmaceutical Market (IPM) growth of 9.9% YoY. Chronic therapies like Anti-Diabetic, Neuro / CNS and Derma continues to grow much faster than the market thereby gaining market share. The Company continues to feature amongst the top five companies in the Indian pharmaceutical market and has maintained its leadership 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 Q1FY24 are as shown below:

Key Therapy Segment	Q1FY24			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	6.4%	10.5%
Gastro Intestinal	3	Unchanged	4.0%	4.9%
Pain / Analgesics	3	Unchanged	10.1%	9.8%
VMN**	2	Unchanged	4.0%	5.6%
Neuro / CNS	8	+1	12.2%	8.7%
Derma	19	Unchanged	21.4%	8.0%
Cardiac	27	Unchanged	7.5%	9.7%
Respiratory	16	+1	10.9%	11.0%
Anti-Diabetic	15	+1	30.0%	6.5%
Total	5	Unchanged	7.6%	8.5%

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

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

International Business

In Q1FY24, the Company's International sales increased by 33.4% YoY, recording sales of ₹ 10,146 million as compared to ₹ 7,604 million in Q1FY23.

- **US sales** for the quarter was ₹ 6,955 million, recording a year-on-year growth of 25.0%.
- **Other International Markets sales** for the quarter was ₹ 3,191 million, recording a year-on-year growth of 56.5%.

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R&D Investments

During the quarter, the Company filed 1 abbreviated new drug applications (ANDAs) with the US FDA and received 7 approvals (including 1 tentative approval).

As on June 30, 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 135 ANDAs (including 14 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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Q1FY24 Conference Call at 4:00pm IST, August 10, 2023

Alkem will organize a conference call for investors and analysts on Thursday, August 10, 2023 from 4:00pm to 5:00pm IST to discuss its Q1FY24 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 Thursday, August 10, 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=9420919&linkSecurityString=33384ca691>

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 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

For further information or queries, please contact

Amit Kumar Khandelia

VP Finance

Tel: +91 22 3982 9999 / Mobile: +91 99309 70362

E-mail: amit.khandelia@alkem.com

Alkem Laboratories Ltd.

Investor Presentation Q1FY24
August 10, 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.

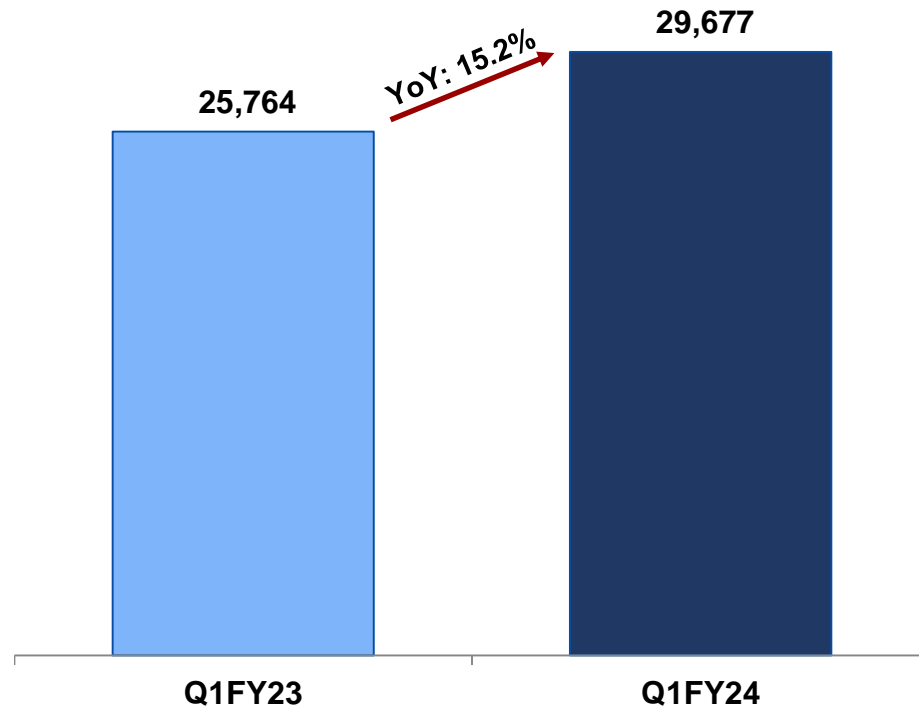
Key Highlights of Q1FY24

- **Revenue from Operation** grew by 15.2% YoY during the quarter, with EBITDA margin of 13.1% and Net Profit margin of 9.7%
- **India Business:** As per IQVIA, Company's sales in Q1FY24 registered growth of 7.6% compared to IPM growth of 8.5%
 - During the quarter, the company launched ophthalmic division to build its presence in ophthalmology therapy.
 - Slower than Industry average growth due to delayed monsoon in eastern part of the country.
 - Chronic therapies continues to grow faster than the market. Gained one rank in anti-diabetic and Neuro/CNS therapy.
- **US Business** saw good growth of 25.0% YoY compared to Q1FY23 and QoQ growth of 17.5% compared to Q4FY23.
- **Non US Business** saw very strong growth of 56.5% YoY compared to Q1FY23 and QoQ growth of 20.3% compared to Q4FY23.
- **R&D expenses** for the quarter was ₹1.2 billion at 4.1% of revenue from operations
 - The company filed 1 ANDA with the USFDA and received 7 approvals (including 1 tentative approval) during the quarter.
- **Enzene Bio-sciences**
 - Launched Cetuximab which is world's 1st Biosimilar used for treatment of head and neck cancer.
 - With 2 more launches in this quarter, Enzene now has a healthy basket of 6 products in India.
- **Healthy balance sheet with net cash of ₹24.3 billion** as on June 30, 2023.

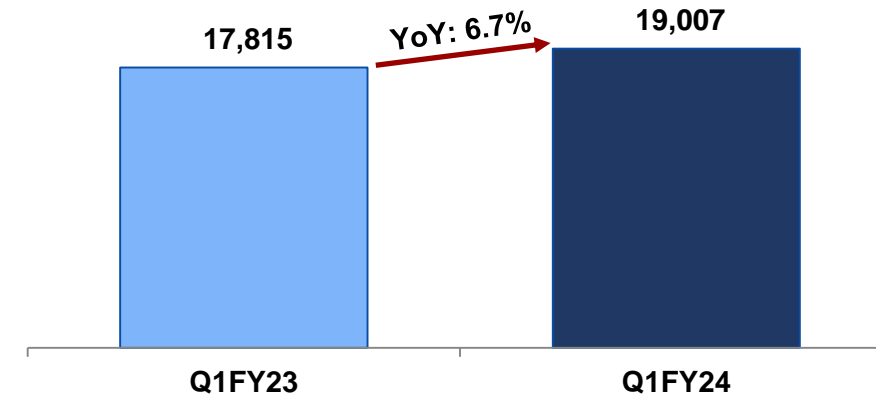
Key Financial Highlights – Q1FY24 (Consolidated)

All figures in ₹ mn

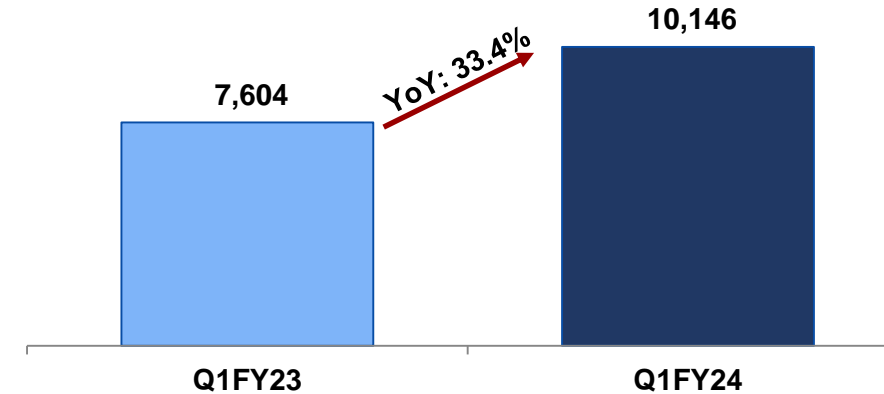
Revenue from Operations



India sales



International sales

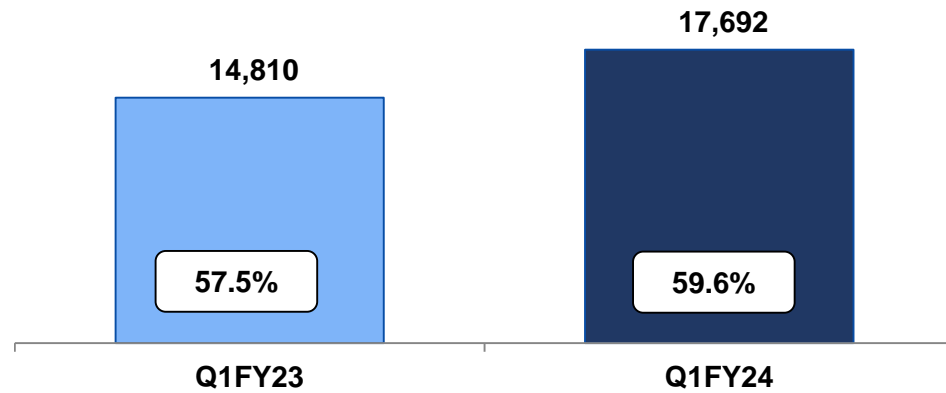


Key Financial Highlights – Q1FY24 (Consolidated)

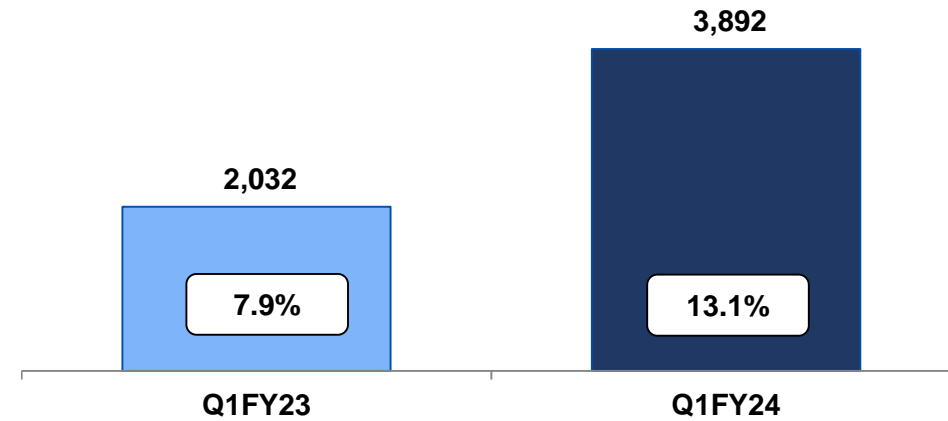


All figures in ₹ mn

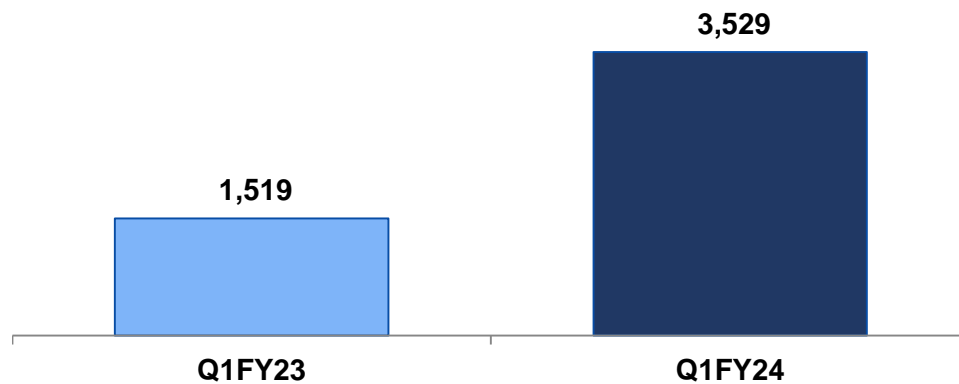
Gross Profit and Gross Margin



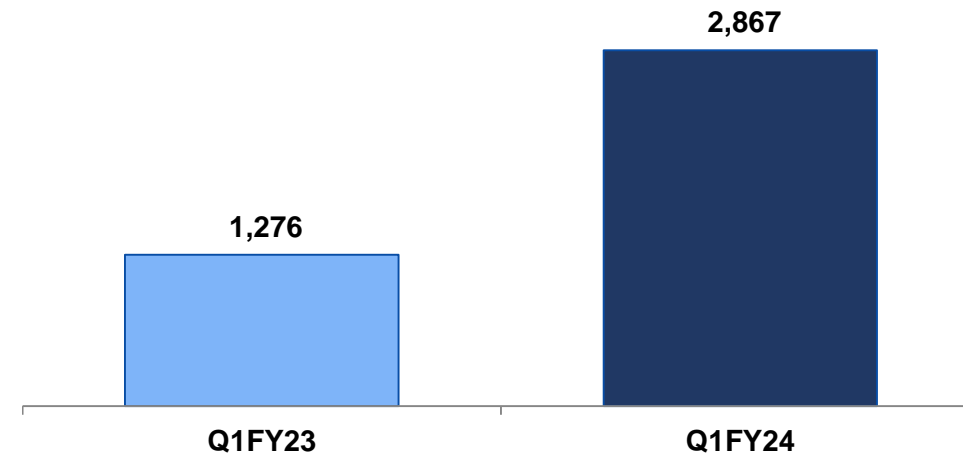
EBITDA and EBITDA Margin



PBT



PAT (after Minority Interest)

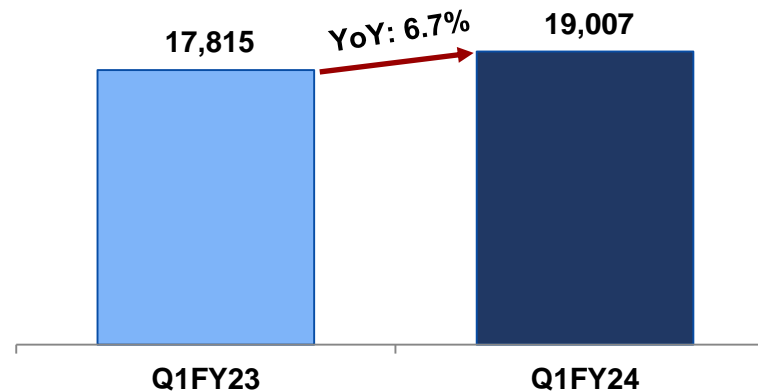


India Business

India Business: Q1FY24 Sales of ₹ 19,007 million (6.7% YoY growth)

- India sales contributed 65.2% to total sales in Q1FY24
- As per IQVIA, In Q1FY24, the Company's secondary sales grew by 7.6% compared to IPM growth of 8.5% YoY.
- Due to delayed onset of monsoon, acute therapies grew slower than market while Chronic therapies continue to outperform the market.
- Moved up 1 rank each in anti-diabetic and Neuro / CNS. Derma and anti-diabetic delivered more than 2X market growth rate.
- Trade generic continues to play an important role in domestic business.

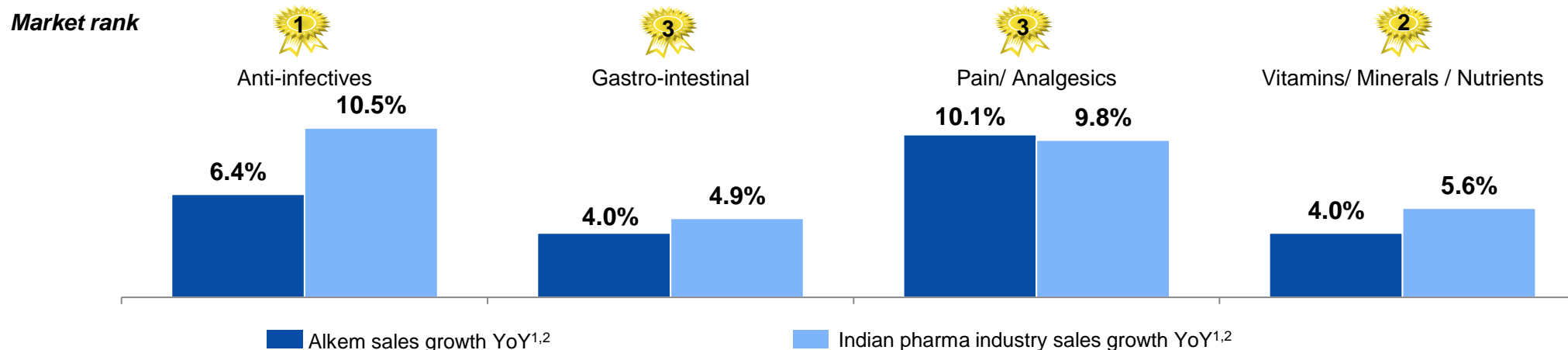
Q1FY24 – India Sales (₹ mn)



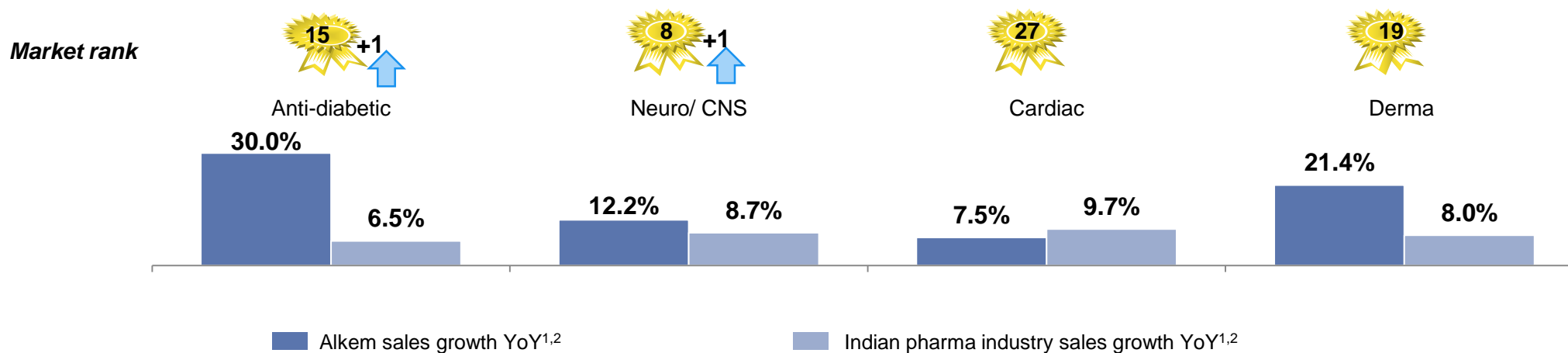
Secondary Sales Performance

Mixed growth across all major therapeutic segments in Q1FY24

Acute Therapies



Chronic Therapies

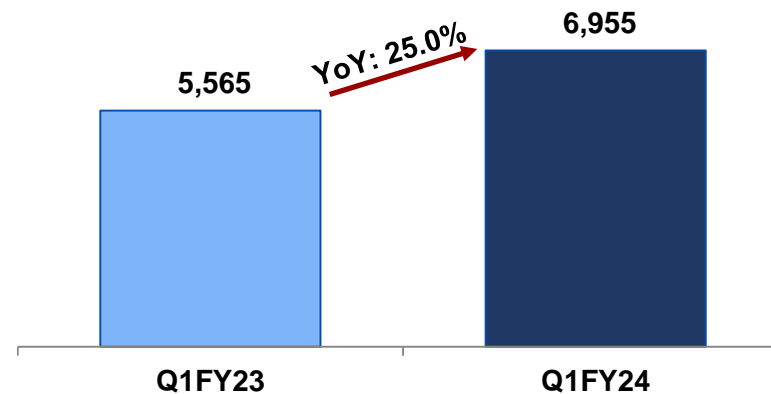


Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended June 30, 2023

US Business: Q1FY24 Sales of ₹ 6,955 million (25.0% YoY growth)

- US sales contributed 23.9% to total sales in Q1FY24
- During the quarter, the US business registered strong growth of 25.0% YoY and 17.5% QoQ.
- In Q1FY24, the Company filed 1 ANDAs with the US FDA and received 7 approvals (including 1 tentative approvals).
- As on June 30, 2023, the Company filed a total of 173 ANDAs and 2 new drug applications (NDA) with the US FDA and has received approvals for 135 ANDAs (including 14 tentative approvals) and 2 NDAs.

Q1FY24 – 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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EIR – Establishment Inspection Report indicating successful closure of inspection

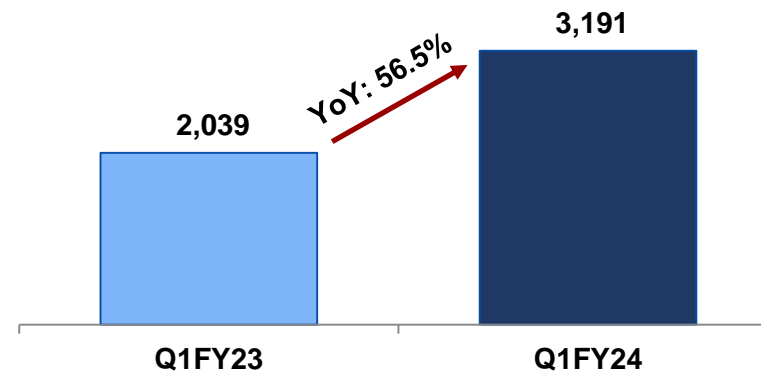
EIR – Establishment Inspection Report

Other International Business

Other International Business: Q1FY24 Sales of ₹ 3,191 million (56.5% YoY growth)

- Other International Market sales contributed 10.9 % to total sales in Q1FY24
- 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 Q1FY24.

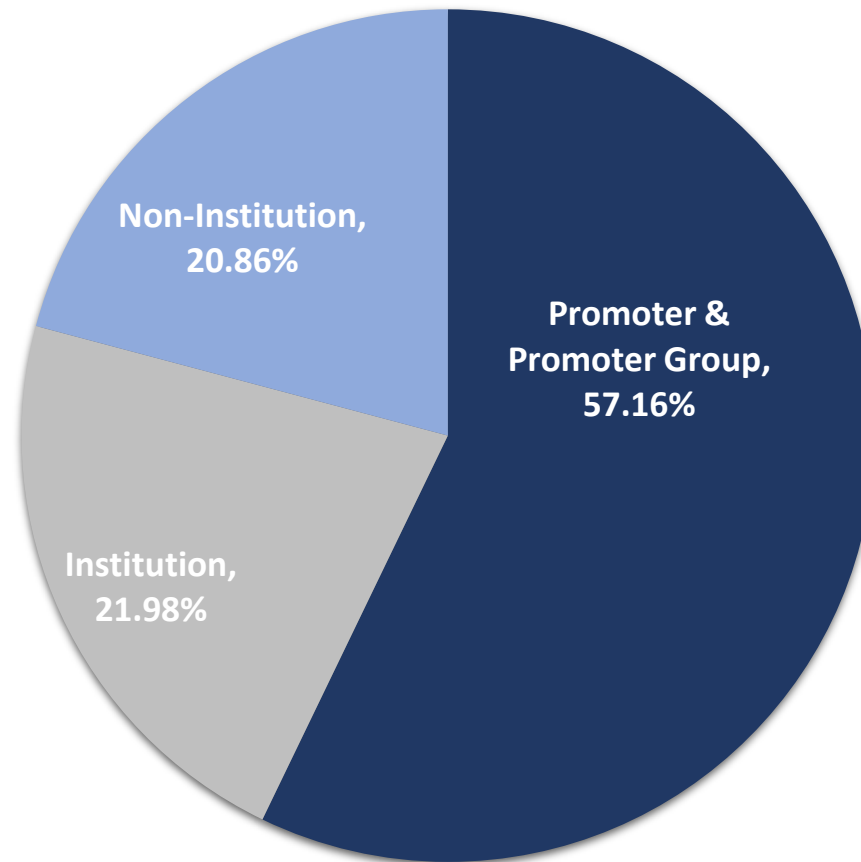
Q1FY24 – Other International Sales
(₹ mn)



Latest Shareholding Pattern



Shareholding pattern as on June 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

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