

**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

05th February, 2021

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. Scrip Code: 539523	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. Scrip Symbol: ALKEM
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Dear Sirs,

Sub: Outcome of Board Meeting held on 05th February, 2021

In continuation of our letter dated 27th January, 2021 and pursuant to Regulation 30 read with Regulation 33 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Board of Directors of the Company, at its meeting held today, i.e. 05th February, 2021 have inter alia:

- a. Approved the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2020.

A copy of the said Financial Results and Limited Review Report of the Statutory Auditors of the Company, as required under Regulation 33 of the Listing Regulations, is enclosed herewith.

- b. Declared Interim Dividend of Rs 25/- (Rupees Twenty Five only) per equity share on the face value of Rs. 2/- per share for the financial year 2020-21 pursuant to Regulation 43 read with Regulation 30 of the Listing Regulations.

The date of payment of Interim Dividend shall be on and from 25th February, 2021.

Further, as informed vide our letter dated 27th January, 2020 submitted to the Stock Exchanges pursuant to Regulation 42 of the Listing Regulations, the record date for the purpose of payment of Interim Dividend for the financial year 2020-21 would be Saturday, 13th February, 2021.

- c. Approved the alteration of the Memorandum of Association (“MOA”) of the Company, by adding certain clauses under Part B of Clause III of MOA and carrying out suitable modifications in the line with the provisions of the Companies Act, 2013, subject to the approval of the shareholders of the Company through Postal Ballot.

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 01.45 p.m.

Kindly take the same on record.

Sincerely,

For Alkem Laboratories Limited


Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Limited review report

To Board of Directors of Alkem Laboratories Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Alkem Laboratories Limited (“the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities

Sr. No.	Name of entity	Relationship
1.	S & B Holdings B.V., Netherlands (S&B Holdings)	Wholly Owned Subsidiary
2.	ThePharmaNetwork, LLC, USA (TPN)	Wholly Owned Subsidiary of S & B Holdings
3.	Ascend Laboratories LLC, USA	Wholly Owned Subsidiary of TPN
4.	S & B Pharma LLC (w.e.f. 8 April 2020)	Wholly Owned Subsidiary of TPN
5.	S & B Pharma Inc., USA	Wholly Owned Subsidiary
6.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
7.	Alkem Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary

Registered Office:

Limited review report (Continued)**Alkem Laboratories Limited**

Sr. No.	Name of entity	Relationship
8.	Enzene Biosciences Ltd, India	Subsidiary
9.	Cachet Pharmaceuticals Pvt Ltd, India	Subsidiary
10.	Indchemie Health Specialities Pvt Ltd, India	Subsidiary
11.	Alkem Laboratories Corporation, Philippines	Wholly Owned Subsidiary
12.	Ascend GmbH, Germany	Wholly Owned Subsidiary
13.	Ascend Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
14.	Ascend Laboratories SpA, Chile (Ascend Chile)	Wholly Owned Subsidiary
15.	Pharma Network SpA, Chile	Wholly Owned Subsidiary of Ascend Chile
16.	Alkem Laboratories Korea Inc, Korea	Wholly Owned Subsidiary
17.	Pharmacor Ltd., Kenya	Wholly Owned Subsidiary
18.	The PharmaNetwork, LLP, Kazakhstan	Wholly Owned Subsidiary
19.	Ascend Laboratories (UK) Ltd., UK	Wholly Owned Subsidiary
20.	Ascend Laboratories Ltd., Canada	Wholly Owned Subsidiary
21.	Alkem Foundation	Wholly Owned Subsidiary
22.	Connect 2 Clinic Private Limited (w.e.f. 12 June 2020)	Wholly Owned Subsidiary
23.	Ascend Laboratories S.A.S, Colombia	Wholly Owned Subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements / financial information / financial results of seven subsidiaries included in the Statement, whose interim financial statements / financial information / financial results reflect total revenues of Rs 3,967 million and Rs 10,202 million, total net profit / (loss) after tax of Rs 172 million and Rs (278) million and total comprehensive income / (loss) of Rs 189 million and Rs (285) million, for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively before giving effect of consolidation adjustments, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

Limited review report (*Continued*)

Alkem Laboratories Limited

7. The Statement includes the interim financial statements / financial information / financial results of thirteen subsidiaries which have not been reviewed, whose interim financial statements / financial information / financial results reflect total revenue of Rs 323 million and Rs 764 million, total net profit / (loss) after tax of Rs 25 million and Rs (34) million and total comprehensive loss of Rs (27) million and Rs (152) million for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively before giving effect of consolidation adjustments as considered in the Statement. According to the information and explanations given to us by the management, these interim financial statements / financial information / financial results are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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SHETTY

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Sadashiv Shetty

Partner

Membership No: 048648

UDIN: 21048648AAAAAH4963

Mumbai
5 February 2021

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

Regd. Office and Corporate Office: Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India.

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Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine months ended 31 December 2020

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020 Unaudited	30.09.2020 Unaudited	31.12.2019 Unaudited	31.12.2020 Unaudited	31.12.2019 Unaudited	31.03.2020 Audited
1 Income						
(a) Revenue from Operations	23,180.5	23,628.0	21,818.4	66,728.5	62,953.7	83,443.6
(b) Other Income	964.0	355.4	278.6	1,869.3	767.5	1,042.2
Total Income	24,144.5	23,983.4	22,097.0	68,597.8	63,721.2	84,485.8
2 Expenses						
(a) Cost of materials consumed	7,188.1	4,736.9	5,494.2	17,311.7	16,232.6	21,318.3
(b) Purchases of stock-in-trade	3,772.6	3,680.8	3,834.3	10,921.6	10,946.4	14,430.6
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,083.9)	921.7	(984.2)	(2,678.5)	(2,673.5)	(2,299.5)
(d) Employee benefits expense	4,097.5	4,080.1	3,956.2	12,119.9	11,755.7	15,054.9
(e) Finance costs	130.7	180.4	170.4	482.1	509.1	650.6
(f) Depreciation and amortisation expense	690.0	702.4	594.8	2,060.7	1,717.1	2,527.6
(g) Other expenses	4,915.1	4,203.6	4,985.2	12,540.9	14,988.9	20,205.4
Total Expenses	18,710.1	18,505.9	18,050.9	52,758.4	53,476.3	71,887.9
3 Profit before exceptional items and tax (1) - (2)	5,434.4	5,477.5	4,046.1	15,839.4	10,244.9	12,597.9
4 Exceptional items	-	-	-	-	-	-
5 Profit before tax (3) - (4)	5,434.4	5,477.5	4,046.1	15,839.4	10,244.9	12,597.9
6 Tax expense / (credit)						
(a) Current tax	1,011.7	1,141.9	740.4	3,154.2	2,151.7	3,542.5
(b) Deferred tax	(215.8)	(479.5)	(240.9)	(1,000.3)	(1,131.5)	(2,123.9)
Sub-total (a + b)	795.9	662.4	499.5	2,153.9	1,020.2	1,418.6
(c) Tax adjustment of earlier periods	-	-	(353.0)	-	(353.0)	(313.8)
Total Tax Expense (a + b + c)	795.9	662.4	146.5	2,153.9	667.2	1,104.8
7 Profit for the period after tax (5) - (6)	4,638.5	4,815.1	3,899.6	13,685.5	9,577.7	11,493.1
8 Other Comprehensive Income (net of tax)						
(a) Items that will not be reclassified to profit or loss						
(i) Remeasurements of defined benefit plans	(26.4)	6.9	(13.5)	(32.1)	(46.9)	(280.9)
(ii) Tax on remeasurements of defined benefit plans	7.5	(2.1)	4.2	9.6	13.8	96.5
(b) Items that will be reclassified to profit or loss						
(i) Foreign currency translation difference of foreign operations	(103.2)	(241.1)	117.2	(321.8)	87.2	453.0
(ii) Tax on remeasurements of foreign currency translation difference of foreign operations	-	-	-	-	-	-
Total other Comprehensive Income (net of tax)	(122.1)	(236.3)	107.9	(344.3)	54.1	268.6
Total Comprehensive Income for the period (comprising Profit for the period after tax and Other Comprehensive Income (net of tax)) (7) + (8)	4,516.4	4,578.8	4,007.5	13,341.2	9,631.8	11,761.7
9						
10 Profit attributable to						
a) Owners of the Company	4,509.6	4,720.6	3,819.8	13,450.3	9,383.0	11,270.7
b) Non-Controlling Interest	128.9	94.5	79.8	235.2	194.7	222.4
11 Other Comprehensive Income attributable to						
a) Owners of the Company	(115.3)	(237.8)	110.5	(338.1)	64.2	274.0
b) Non-Controlling Interest	(6.8)	1.5	(2.6)	(6.2)	(10.1)	(5.4)
12 Total Comprehensive Income attributable to						
a) Owners of the Company	4,394.3	4,482.8	3,930.3	13,112.2	9,447.2	11,544.7
b) Non-Controlling Interest	122.1	96.0	77.2	229.0	184.6	217.0
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
14 Other Equity						61,367.6
15 Earnings Per Share of ₹2 each (not annualised for the periods)						
(a) ₹ (Basic)	37.72	39.48	31.95	112.49	78.48	94.26
(b) ₹ (Diluted)	37.72	39.48	31.95	112.49	78.48	94.26

Notes :

- 1 The above unaudited consolidated financial results were reviewed and recommended by the Audit Committee on 4 February 2021 and subsequently approved by the Board of Directors at its meeting held on 5 February 2021. The figures for the quarter and nine months ended 31 December 2020 have been subjected to limited review by the statutory auditors. The auditors have issued an unmodified report on the financial results for the quarter and nine months ended 31 December 2020.
- 2 During the quarter ended 31 December 2020, the Group has received net consideration of **Rs.351.0 Million** towards assignment of a trademark together with associated goodwill, business and commercial rights and the same has been recognised under Other Income.
- 3 The Code on Social Security, 2020 ('Code') received Presidential assent in September 2020 and the same has been published in the Gazette of India. However, the related final rules and the date on which the Code will come into effect has not been notified. The Company and its Indian subsidiaries will assess the impact once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective.
- 4 The Board of Directors at its meeting held on 5 February 2021 have declared an interim dividend of ₹ 25 (Rupees Twenty five only) per equity share (1250% on the face value of ₹ 2 each) for the financial year ended 2020-21.
- 5 The Group has considered internal and external information while assessing recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.
- 6 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 7 Previous periods' figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current periods.

Place: Mumbai
Date: 5 February 2021

By Order of the Board
For Alkem Laboratories Limited

Basudeo
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Singh

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B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

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Limited review report

To Board of Directors of Alkem Laboratories

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Alkem Laboratories Limited ('the Company') for the quarter ended and year to date results for the period from 1 April 2020 to 31 December 2020 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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SHANKAR
SHETTY

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Sadashiv Shetty

Partner

Membership No: 048648

UDIN: 21048648AAAAAG5890

Mumbai
5 February 2021

Registered Office:

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

Regd. Office and Corporate Office: Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, Maharashtra, India.

Tel No:91 22 3982 9999 Fax No: +91 22 2492 7190

Website : www.alkemlabs.com, Email Id : investors@alkem.com

Statement of Unaudited Standalone Financial Results for the Quarter and Nine months ended 31 December 2020

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2020 Unaudited	30.09.2020 Unaudited	31.12.2019 Unaudited	31.12.2020 Unaudited	31.12.2019 Unaudited	31.03.2020 Audited
1 Income						
(a) Revenue from operations	17,787.5	19,841.0	15,964.0	53,022.1	49,895.6	66,770.8
(b) Other income	724.6	248.4	267.5	1,412.4	700.6	959.8
Total Income	18,512.1	20,089.4	16,231.5	54,434.5	50,596.2	67,730.6
2 Expenses						
(a) Cost of materials consumed	6,119.9	3,915.4	4,687.0	14,699.3	13,735.0	17,998.7
(b) Purchases of stock-in-trade	2,448.4	2,573.8	1,863.8	7,124.0	6,057.8	7,843.8
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,073.6)	1,095.6	(1,014.4)	(2,812.1)	(1,112.7)	(336.9)
(d) Employee benefits expense	2,882.0	2,951.3	2,821.3	8,677.6	8,412.1	10,667.6
(e) Finance costs	87.7	147.6	99.5	355.7	292.0	387.1
(f) Depreciation and amortisation expense	500.8	516.2	427.0	1,495.5	1,230.8	1,868.4
(g) Other expenses	3,979.1	3,362.2	3,969.3	10,008.1	11,664.7	15,921.1
Total Expenses	13,944.3	14,562.1	12,853.5	39,548.1	40,279.7	54,349.8
3 Profit before exceptional item and tax (1) - (2)	4,567.8	5,527.3	3,378.0	14,886.4	10,316.5	13,380.8
4 Exceptional item	-	-	-	-	-	-
5 Profit before tax (3) - (4)	4,567.8	5,527.3	3,378.0	14,886.4	10,316.5	13,380.8
6 Tax expense / (credit)						
(a) Current tax	800.7	974.9	588.8	2,608.9	1,841.3	2,783.3
(b) Deferred tax	(242.7)	(399.6)	(343.5)	(945.9)	(1,103.9)	(1,732.9)
Sub-total (a + b)	558.0	575.3	245.3	1,663.0	737.4	1,050.4
(c) Tax adjustment of earlier periods	-	-	(353.0)	-	(353.0)	(313.8)
Total Tax Expense (a + b + c)	558.0	575.3	(107.7)	1,663.0	384.4	736.6
7 Profit for the period after tax (5 - 6)	4,009.8	4,952.0	3,485.7	13,223.4	9,932.1	12,644.2
8 Other Comprehensive Income (net of tax)						
(a) Items that will not be reclassified to profit or loss						
(i) Remeasurements of defined benefit plans	(3.6)	2.4	(5.8)	(11.0)	(17.5)	(265.6)
(ii) Tax on remeasurements of defined benefit plans	1.3	(0.8)	2.0	3.9	6.1	92.8
(b) Items that will be reclassified to profit or loss						
(i) Foreign currency translation difference of foreign operations	-	-	-	-	-	-
(ii) Tax on remeasurements of foreign currency translation difference of foreign operations	-	-	-	-	-	-
Total Other Comprehensive Income (net of tax)	(2.3)	1.6	(3.8)	(7.1)	(11.4)	(172.8)
9 Total Comprehensive Income for the period (comprising Profit for the period after tax and Other Comprehensive Income (net of tax)) (7) + (8)	4,007.5	4,953.6	3,481.9	13,216.3	9,920.7	12,471.4
10 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
11 Other Equity						62,565.3
12 Earnings Per Share of ₹ 2 each (not annualised for the periods)						
(a) ₹ (Basic)	33.54	41.42	29.15	110.60	83.07	105.75
(b) ₹ (Diluted)	33.54	41.42	29.15	110.60	83.07	105.75

Notes :

- 1 The above unaudited standalone financial results were reviewed and recommended by the Audit Committee on 4 February 2021 and subsequently approved by the Board of Directors at its meeting held on 5 February 2021. The figures for the quarter and nine months ended 31 December 2020 have been subjected to limited review by the statutory auditors. The auditors have issued an unmodified report on the financial results for the quarter and nine months ended 31 December 2020.
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- 5 The Company has considered internal and external information while assessing recoverability of its assets upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. The Board of Directors has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 6 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 7 Previous periods' figures have been regrouped/reclassified, where necessary, to make them comparable with the figures for the current period.

Place: Mumbai
Date: 5 February 2021

By Order of the Board
For Alkem Laboratories Limited

Basudeo
Narayan
Singh

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by Basudeo
Narayan Singh
Date: 2021.02.05
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B.N. Singh
Executive Chairman
DIN: 00760310



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- CIN: L00305MH1973PLC174201

Press Release

Alkem reports Q3FY21 and 9MFY21 Results

Mumbai, February 5, 2021: Alkem Laboratories Ltd (Alkem) today announced its consolidated financial results for third quarter and nine months ended December 31, 2020. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key highlights of Q3FY21 financial performance

- Total Revenue from Operations was ₹ 23,181 million, year-on-year growth of 6.2%
 - India sales were ₹ 15,140 million, year-on-year growth of 6.3%
 - International sales were ₹ 7,739 million, year-on-year growth of 6.7%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 5,291 million, resulting in EBITDA margin of 22.8% vs. 20.8% in Q3FY20. EBITDA grew by 16.7% YoY
- R&D expenses for the quarter was ₹ 1,335 million, or 5.8% of total revenue from operations compared to ₹ 1,205 million in Q3FY20 at 5.5% of total revenue from operations
- Profit before tax (PBT) was ₹ 5,434 million, a growth of 34.3% compared to Q3FY20
- Net Profit (after Minority Interest) was ₹ 4,510 million, year-on-year growth of 18.1%

Key highlights of 9MFY21 financial performance

- Total Revenue from Operations was ₹ 66,728 million, year-on-year growth of 6.0%
 - India sales were ₹ 42,264 million, year-on-year growth of 0.7%
 - International sales were ₹ 23,382 million, year-on-year growth of 17.8%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 16,513 million, resulting in EBITDA margin of 24.7% vs. 18.6% in 9MFY20. EBITDA grew by 41.1% YoY
- R&D expenses for 9MFY21 was ₹ 3,914 million, or 5.9% of total revenue from operations compared to ₹ 3,473 million in 9MFY20 at 5.5% of total revenue from operations
- Profit before tax (PBT) was ₹ 15,839 million, a growth of 54.6% compared to 9MFY20
- Net Profit (after Minority Interest) was ₹ 13,450 million, year-on-year growth of 43.3%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "Over the last two quarters, our India business has shown a significant recovery from the lows of Q1FY21. Our key brands have grown ahead of their representative market, thereby gaining market share. Our International business has also delivered a healthy performance during the financial year driven by our US business. During the quarter we received 10 ANDA approvals from the US FDA which bodes well for our future growth in the US market. We continue to further strengthen our balance sheet with net cash position driven by improvement in profitability and cash flows. We look forward to end the financial year on a positive note and carry that momentum ahead in the next fiscal as well."



ALKEM LABORATORIES LTD.

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Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

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- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

Operational Highlights

Domestic Business

In Q3FY21, the Company's India sales grew by 6.3% YoY, recording a sales of ₹ 15,140 million as compared to ₹ 14,239 million in Q3FY20. For 9MFY21, the Company's India sales was ₹ 42,264 million compared to ₹ 41,964 million in 9MFY20 – growth of 0.7% YoY.

As per IQVIA data, for the quarter and nine months ended December 31, 2020, the Company continues to feature amongst the top five companies in the Indian pharmaceutical market. The Company delivered a significant recovery in Q3FY21 with a growth of 5.4% YoY compared to YoY decline of 2.0% and 11.8% in Q2FY21 and Q1FY21 respectively. In most of the large therapy segments like Anti-Infectives, Gastro Intestinal, Vitamins / Minerals / Nutrients, Cardiac and Anti-Diabetes, the Company grew ahead of the segment growth rate, thereby gaining market share. Most of the Company's top brands also outperformed in their representative markets.

The performance highlights of the key therapeutic segments in Q3FY21 and 9MFY21 are as shown in the table below:

Key Therapy segment	Q3FY21				9MFY21			
	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	-3.9%	-5.9%	1	Unchanged	-12.1%	-13.9%
Gastro Intestinal	3	Unchanged	12.5%	12.9%	3	Unchanged	4.6%	2.8%
Pain / Analgesics	3	Unchanged	3.2%	3.1%	3	Unchanged	-5.2%	-3.4%
VMN**	2	+2	39.6%	16.3%	4	Unchanged	24.9%	8.7%
Neuro / CNS	8	-2	-2.2%	12.2%	10	-3	-8.8%	9.2%
Derma	17	-4	-11.2%	8.3%	18	-4	-20.8%	3.5%
Cardiac	27	-1	17.6%	15.2%	27	-1	16.3%	13.9%
Anti-Diabetic	19	+2	21.2%	10.5%	20	+1	15.4%	9.3%
Total	5	Unchanged	5.4%	8.4%	5	Unchanged	-2.5%	2.9%

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

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

International Business

In Q3FY21, the Company's International sales grew by 6.7% YoY, recording sales of ₹ 7,739 million as compared to ₹ 7,254 million in Q3FY20. For 9MFY21, the Company's International sales grew by 17.8% to ₹ 23,382 million compared to ₹ 19,857 million in 9MFY20.

- **US sales** for the quarter was ₹ 6,156 million, recording a year-on-year growth of 5.5%. For 9MFY21, US sales was ₹ 19,078 million, up 19.8% compared to 9MFY20.
- **Other International Markets sales** for the quarter was ₹ 1,582 million, recording a year-on-year growth of 11.7%. For 9MFY21, Other International Markets sales was ₹ 4,303 million, up 9.6% compared to 9MFY20.



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R&D Investments

During the quarter, the Company received 10 approvals (including 2 tentative approvals) from the US FDA. For 9MFY21, the Company filed 5 ANDAs with the US FDA and received 16 approvals (including 4 tentative approvals).

As on December 31, 2020, the Company has filed a total of 147 ANDAs and 2 new drug application (NDA) with the US FDA of which it has received approvals for 100 ANDAs (including 14 tentative approvals) and 2 NDA.

Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
St. Louis (US)	Formulation	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
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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Q3FY21 and 9MFY21 Conference Call at 5:30pm IST, February 5, 2021

Alkem will organize a conference call for investors and analysts on Friday, February 5, 2021 from 5:30pm to 6:30pm IST to discuss its Q3FY21 and 9MFY21 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: 5:30 pm IST (GMT + 5:30) on Friday, February 5, 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

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 2020). 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

Gagan Borana

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Alkem Laboratories Ltd.



**Investor Presentation Q3FY21
February 5, 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 Q3FY21 and 9MFY21

Growth returning back in India business, International business maintaining its quarterly momentum

- **Revenue from Operations** grew by 6.2% YoY during the quarter, accompanied by 200bps expansion in EBITDA margin to 22.8% compared to 20.8% in Q3FY20
- **Profit After Tax** during the quarter grew by 18.1% compared to the previous year
- **India Business:** Company's secondary sales registered a healthy recovery with 5.4% YoY growth in Q3FY21 compared to a YoY decline of 2.0% and 11.8% in Q2FY21 and Q1FY21 respectively (Source: IQVIA data)
 - Company's top brands continue to grow ahead of their respective markets (Source: IQVIA data)
 - Company maintained its outperformance in key therapies of Anti-infectives, Gastro-intestinal, Vitamins / Minerals, Cardiac and Anti-diabetes (Source: IQVIA data)
- **US Business** grew by 5.5% YoY during the quarter and 19.8% YoY in 9MFY21, largely driven by new product launches
- **R&D** expenses during the quarter was at 5.8% of revenue from operations compared to 5.5% in Q3FY20
 - The Company received 10 ANDA approvals (including 2 tentative approval) from the US FDA in Q3FY21
- **Healthy Balance Sheet** with net cash of ₹ 7.8bn as on December 31, 2020

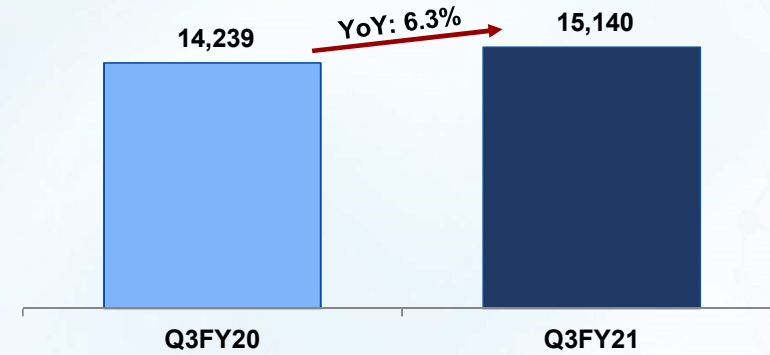
Key Financial Highlights – Q3FY21 (Consolidated)

All figures in ₹ mn

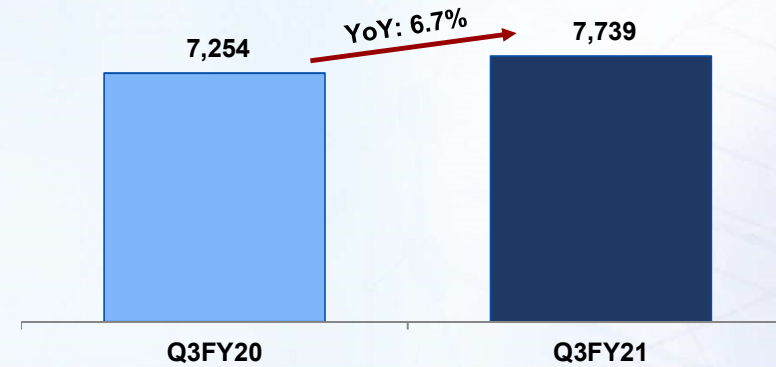
Revenue from Operations



India sales



International sales

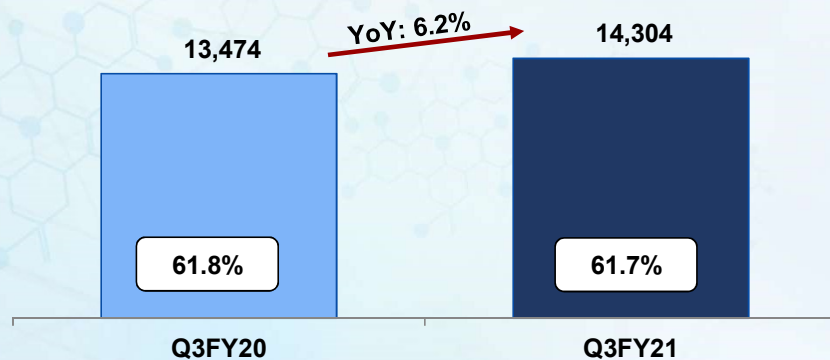


Key Financial Highlights – Q3FY21 (Consolidated)

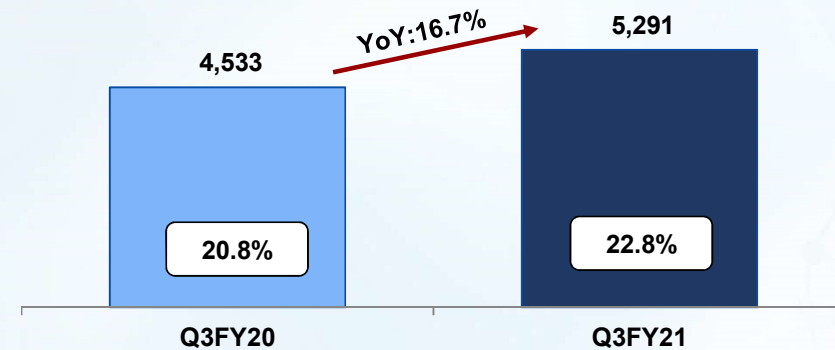


All figures in ₹ mn

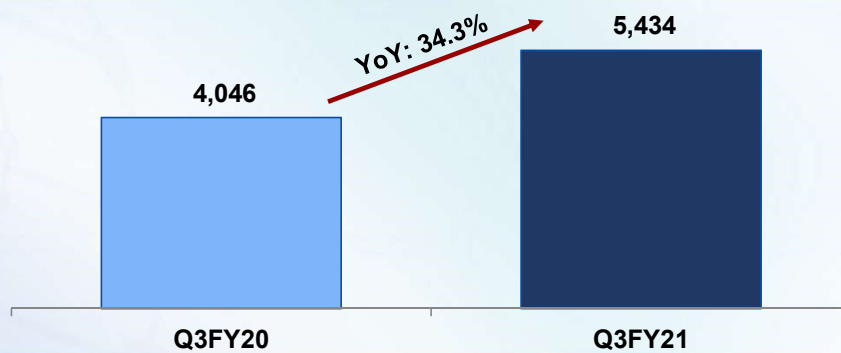
Gross Profit and Gross Margin



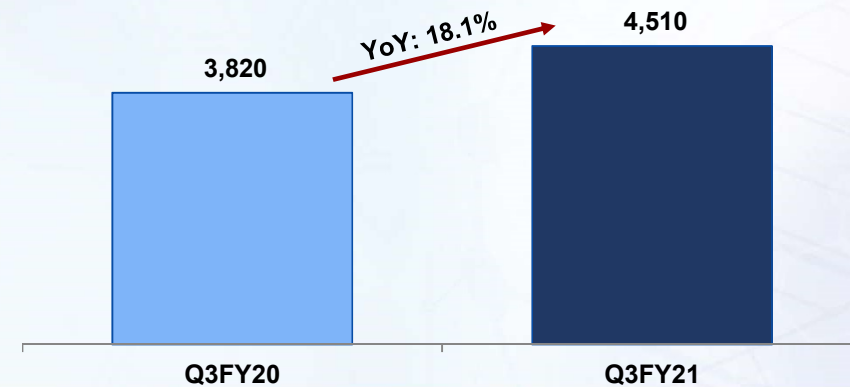
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)



Key Financial Highlights – 9MFY21 (Consolidated)



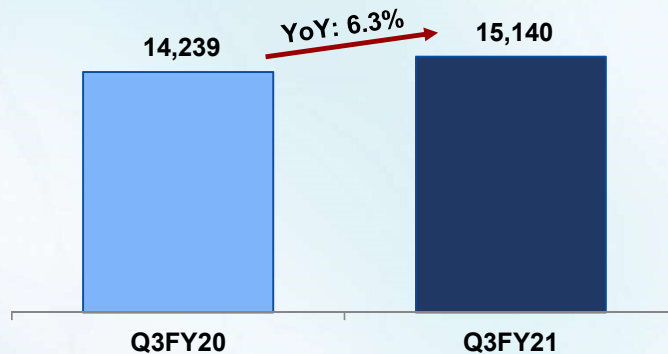
Particulars (₹ mn)	9MFY21	9MFY20	YoY growth
Revenue from Operations	66,728	62,954	6.0%
Gross Profit	41,174	38,448	7.1%
Gross Profit margin	61.7%	61.1%	
EBITDA	16,513	11,704	41.1%
EBITDA margin	24.7%	18.6%	
PBT	15,839	10,245	54.6%
PBT margin	23.7%	16.3%	
PAT (After Minority Interest)	13,450	9,383	43.3%
PAT margin	20.2%	14.9%	
EPS (₹ / share)	112.49	78.48	43.3%

India Business

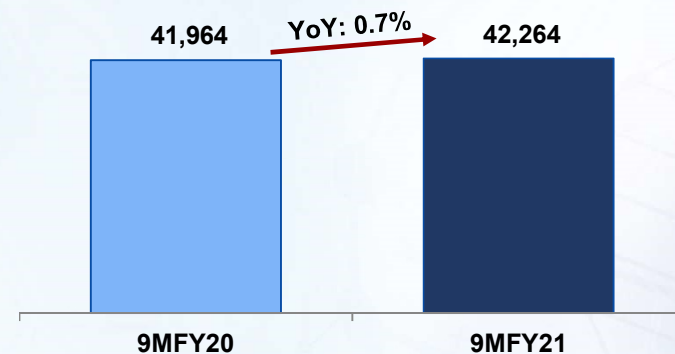
India Business: Q3FY21 Sales of ₹ 15,140 million (6.3% YoY growth)

- India sales contributed 66.2% to total sales in Q3FY21
- Significant recovery witnessed in acute therapeutic areas of anti-infectives, gastro intestinal, pain / analgesics and vitamins / minerals / nutrients with the Government announcing various rounds of unlocking
- In Q3FY21, the Company's secondary sales grew by 5.4% YoY compared to YoY decline in H1FY21 (Source: IQVIA data)
- During the quarter, the Company grew ahead of the market in the therapy areas of anti-infectives, gastro-intestinal, vitamins / minerals / nutrients, cardiac and anti-diabetes (Source: IQVIA data)

Q3FY21 – India Sales (₹ mn)



9MFY21 – India Sales (₹ mn)



Secondary Sales Performance



Company's India business recovering from the lows of Q1FY21

Therapy segment	Alkem's YoY growth in Q1FY21	Alkem's YoY growth in Q2FY21	Alkem's YoY growth in Q3FY21
Anti-infectives	-22.1%	-12.2%	-3.9%
Gastro Intestinal	-4.0%	6.0%	12.5%
Pain / Analgesics	-14.1%	-5.4%	3.2%
Vitamins / Minerals / Nutrients	3.9%	30.3%	39.6%
Neuro / CNS	-14.7%	-9.8%	-2.2%
Derma	-35.7%	-19.2%	-11.2%
Cardiac	13.9%	17.1%	17.6%
Anti-Diabetic	11.7%	13.2%	21.2%
Total	-11.8%	-2.0%	5.4%

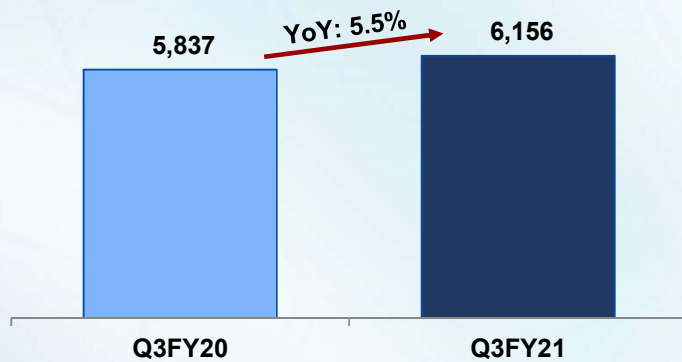
(Source: IQVIA data)

US Business

US Business: Q3FY21 Sales of ₹ 6,156 million (5.5% YoY growth)

- US sales contributed 26.9% to total sales in Q3FY21
- In 9MFY21, the Company received 16 approvals (including 4 tentative approval)
- As on December 31, 2020, the Company has filed a total of 149 ANDAs (including 2 NDAs) with the US FDA and has received 102 approvals (including 14 tentative approvals and 2 NDAs)

Q3FY21 – US Sales (₹ mn)



9MFY21 – US Sales (₹ mn)



US Business



EIR for all the six facilities inspected by the US FDA

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

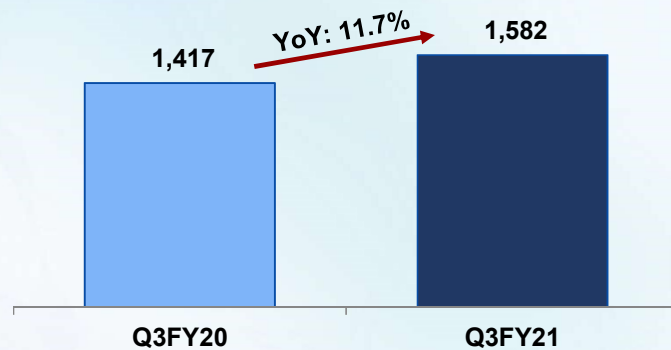
EIR – Establishment Inspection Report indicating successful close of inspection

Other International Business

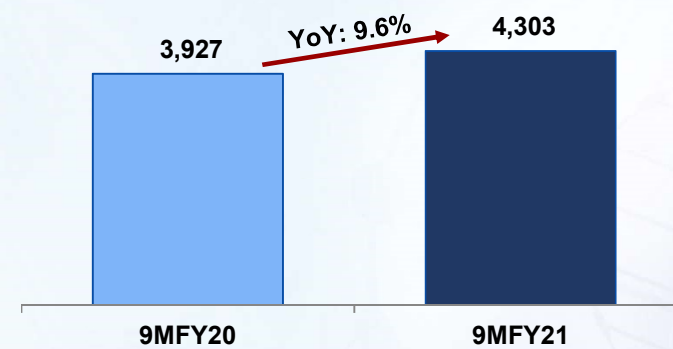
Other International Business: Q3FY21 Sales of ₹ 1,582 million (11.7% YoY growth)

- Other International Market sales contributed 6.9% to total sales in Q3FY21
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Australia and Chile registered healthy growth during the quarter

**Q3FY21 – Other International Sales
(₹ mn)**

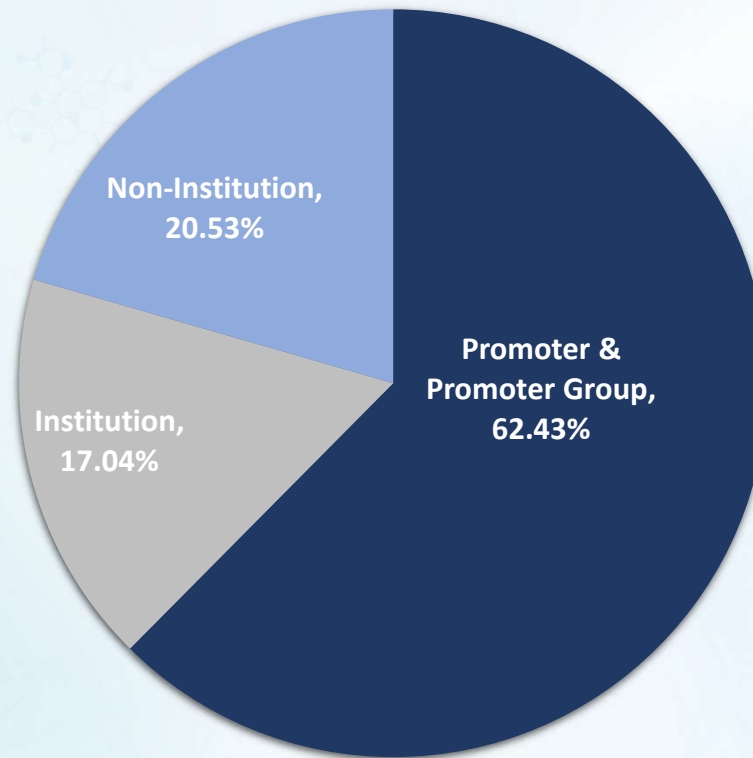


**9MFY21 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on December 31, 2020



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

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