

**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

06th August, 2021

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: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended
30th June, 2021.**

In continuation of our letter dated 26th July, 2021 and pursuant to Regulation 30 read with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing the Standalone and Consolidated Unaudited Financial Results for the quarter ended 30th June, 2021, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 06th August, 2021. The meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 01.30 P.M.

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

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 30 June 2021 (“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.	Ascend Laboratories (PTY) Ltd, South Africa (formerly known as Alkem Laboratories (PTY) Ltd)	Wholly Owned Subsidiary
8.	Enzene Biosciences Ltd, India	Subsidiary
9.	Cachet Pharmaceuticals Pvt Ltd, India	Subsidiary
10.	Indchemie Health Specialities Pvt Ltd, India	Subsidiary

Registered Office:

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

Sr. No.	Name of entity	Relationship
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, India	Wholly Owned Subsidiary
22.	Connect 2 Clinic Private Limited (w.e.f. 12 June 2020), India	Wholly Owned Subsidiary
23.	Ascend Laboratories S.A.S, Colombia	Wholly Owned Subsidiary

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. 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 7 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.
7. We did not review the interim financial results of 6 subsidiaries included in the Statement, whose interim financial results reflect total revenues (before consolidation adjustment) of Rs 4,244 million, total net profit after tax (before consolidation adjustment) of Rs 201 million and total comprehensive income (before consolidation adjustment) of Rs 239 million, for the quarter ended 30 June 2021, as considered in the consolidated unaudited financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us 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.

Limited review report (Continued)

Alkem Laboratories Limited

4 of these subsidiaries are located outside India whose interim financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the interim financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our conclusion in so far as it relates to the balance subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

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

8. The Statement includes the interim financial information of 13 subsidiaries which have not been reviewed, whose interim financial information reflect total revenue (before consolidation adjustment) of Rs. 275 million, total net profit after tax (before consolidation adjustment) of Rs. 1 million and total comprehensive loss (before consolidation adjustment) of Rs. 29 million for the quarter ended 30 June 2021. According to the information and explanations given to us by the management, these interim financial information 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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Balajirao Pothana

Partner

Membership No: 122632

UDIN No: 21122632AAAABT1366

Mumbai
6 August 2021

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 Consolidated Financial Results for the Quarter ended 30 June 2021

(₹ in Million except per share data)

	Particulars	Quarter ended		Year ended	
		30.06.2021 Unaudited	31.03.2021 Audited (Refer Note 1)	30.06.2020 Unaudited	31.03.2021 Audited
1	Income				
	(a) Revenue from Operations	27,313.6	21,921.6	19,920.0	88,650.1
	(b) Other Income	466.5	462.8	549.9	2,332.1
	Total Income	27,780.1	22,384.4	20,469.9	90,982.2
2	Expenses				
	(a) Cost of materials consumed	7,708.2	6,633.7	5,386.7	23,945.4
	(b) Purchases of stock-in-trade	3,527.4	3,456.0	3,468.2	14,377.6
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(287.7)	(659.9)	(1,516.3)	(3,338.4)
	(d) Employee benefits expense	5,318.3	4,090.4	3,942.3	16,210.3
	(e) Finance costs	128.6	107.1	171.0	589.2
	(f) Depreciation and amortisation expense	705.3	685.1	668.3	2,745.8
	(g) Other expenses	5,118.8	5,490.4	3,422.2	18,031.3
	Total Expenses	22,218.9	19,802.8	15,542.4	72,561.2
3	Profit before exceptional items and tax (1) - (2)	5,561.2	2,581.6	4,927.5	18,421.0
4	Exceptional items	-	-	-	-
5	Profit before tax (3) - (4)	5,561.2	2,581.6	4,927.5	18,421.0
6	Tax expense / (credit)				
	(a) Current tax	1,181.9	811.1	1,000.6	3,965.3
	(b) Deferred tax	(423.0)	(721.7)	(305.0)	(1,722.0)
	Total Tax Expense (a + b)	758.9	89.4	695.6	2,243.3
7	Profit for the period after tax (5) - (6)	4,802.3	2,492.2	4,231.9	16,177.7
8	Other Comprehensive Income (net of tax)				
	(a) (i) Items that will not be reclassified to profit or loss	(21.5)	(57.1)	(12.6)	(89.2)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	8.9	20.3	4.2	29.9
	(b) (i) Items that will be reclassified to profit or loss	15.5	38.1	22.5	(283.7)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total other Comprehensive Income (net of tax)	2.9	1.3	14.1	(343.0)
9	Total Comprehensive Income for the period (7) + (8)	4,805.2	2,493.5	4,246.0	15,834.7
10	Profit attributable to				
	a) Owners of the Company	4,681.2	2,399.9	4,220.1	15,850.2
	b) Non-Controlling Interest	121.1	92.3	11.8	327.5
11	Other Comprehensive Income attributable to				
	a) Owners of the Company	3.9	(1.5)	15.0	(339.6)
	b) Non-Controlling Interest	(1.0)	2.8	(0.9)	(3.4)
12	Total Comprehensive Income attributable to				
	a) Owners of the Company	4,685.1	2,398.4	4,235.1	15,510.6
	b) Non-Controlling Interest	120.1	95.1	10.9	324.1
13	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14	Other Equity				73,528.2
15	Earnings Per Share (not annualised for the quarters)				
	(a) Basic (₹)	39.15	20.07	35.30	132.57
	(b) Diluted (₹)	39.15	20.07	35.30	132.57

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 5 August 2021 and subsequently approved by the Board of Directors at its meeting held on 6 August 2021. The auditors have issued an unmodified report on the financial results for the quarter ended 30 June 2021. The figures for the quarter ended 31 March 2021 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to 31 December 2020, which were subjected to limited review.
- 2 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.
- 3 The Group operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 4 Previous period figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current period.

Place: Mumbai
Date: 6 August 2021

By Order of the Board
For Alkem Laboratories Limited

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Narayan
Singh

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B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

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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 standalone financial results of Alkem Laboratories Limited (“the Company”) for the quarter ended 30 June 2021 (“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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
5. 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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Balajirao Pothana

Partner

Membership No: 122632

UDIN No: 21122632AAAABS4247

Mumbai
6 August 2021

Registered Office:

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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

Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2021

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended
		30.06.2021 Unaudited	31.03.2021 Audited (Refer Note 1)	30.06.2020 Unaudited	31.03.2021 Audited
1	Income				
	(a) Revenue from Operations	22,786.7	19,174.7	15,393.6	72,196.8
	(b) Other Income	392.1	487.7	439.4	1,900.1
	Total Income	23,178.8	19,662.4	15,833.0	74,096.9
2	Expenses				
	(a) Cost of materials consumed	6,538.1	5,765.9	4,664.0	20,465.2
	(b) Purchases of stock-in-trade	2,629.7	2,073.9	2,101.8	9,197.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(41.6)	(200.8)	(1,834.1)	(3,012.9)
	(d) Employee benefits expense	4,022.3	2,909.6	2,844.3	11,587.2
	(e) Finance costs	90.6	73.6	120.4	429.3
	(f) Depreciation and amortisation expense	517.2	493.8	478.5	1,989.3
	(g) Other expenses	4,132.5	4,462.0	2,666.8	14,470.1
	Total Expenses	17,888.8	15,578.0	11,041.7	55,126.1
3	Profit before exceptional items and tax (1) - (2)	5,290.0	4,084.4	4,791.3	18,970.8
4	Exceptional items (Refer Note 3)	-	(127.8)	-	(127.8)
5	Profit before tax (3) + (4)	5,290.0	3,956.6	4,791.3	18,843.0
6	Tax expense / (credit)				
	(a) Current tax	916.2	709.4	833.3	3,318.3
	(b) Deferred tax	(318.9)	(380.2)	(303.6)	(1,326.1)
	Total Tax Expense (a + b)	597.3	329.2	529.7	1,992.2
7	Profit for the period after tax (5 - 6)	4,692.7	3,627.4	4,261.6	16,850.8
8	Other Comprehensive Income (net of tax)				
	(a) (i) Items that will not be reclassified to profit or loss	(16.0)	(65.7)	(9.8)	(76.7)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	5.6	22.9	3.4	26.8
	(b) (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(10.4)	(42.8)	(6.4)	(49.9)
9	Total Comprehensive Income for the period (7) + (8)	4,682.3	3,584.6	4,255.2	16,800.9
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
11	Other Equity				76,018.4
12	Earnings Per Share (not annualised for the quarters)				
	(a) Basic (₹)	39.25	30.34	35.64	140.93
	(b) Diluted (₹)	39.25	30.34	35.64	140.93

Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 5 August 2021 and subsequently approved by the Board of Directors at its meeting held on 6 August 2021. The auditors have issued an unmodified report on the financial results for the quarter ended 30 June 2021. The figures for the quarter ended 31 March 2021 are balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter ended 31 December 2020, which were subjected to limited review.
- 2 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.
- 3 The Company has made an assessment of the recoverable value of investment in its subsidiaries taking into account the decline in operational performance, changes in the outlook of future profitability, weaker market conditions, among other potential indicators. Accordingly, during the quarter ended 31 March 2021, an impairment loss of Rs. **127.8 Million** has been recognised towards investment in Alkem Laboratories Corporation, Philippines, a wholly owned subsidiary of the Company in accordance with IND AS 36 'Impairment of assets' and the same has been disclosed as an 'Exceptional item'.
- 4 The Company operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.
- 5 Previous period figures have been regrouped/reclassified wherever required, to make them comparable with the figures for the current period.

Place: Mumbai
Date: 6 August 2021

By Order of the Board
For Alkem Laboratories Limited

Basudeo
Narayan
Singh



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Narayan Singh
Date: 2021.08.06
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B.N. Singh
Executive Chairman
DIN: 00760310



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Press Release

Alkem reports Q1FY22 results

Mumbai, August 6, 2021: Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the first quarter ended June 30, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q1FY22 financial performance

- Total Revenue from Operations was ₹ 27,314 million, year-on-year growth of 37.1%
 - India sales were ₹ 19,097 million, year-on-year growth of 65.3%
 - International sales were ₹ 7,903 million, year-on-year growth of 0.6%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 5,929 million, resulting in EBITDA margin of 21.7% vs. 26.2% in Q1FY21. EBITDA grew by 13.6% YoY
- R&D expenses for the quarter was ₹ 1,183 million, or 4.3% of total revenue from operations compared to ₹ 1,186 million in Q1FY21 at 6.0% of total revenue from operations
- Profit before tax (PBT) was ₹ 5,561 million, a growth of 12.9% compared to Q1FY21
- Net Profit (after Minority Interest) was ₹ 4,681 million, year-on-year growth of 10.9%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“We have had a good start to the financial year with a strong growth in our Domestic business, even after adjusting for the low base of the last year. This was driven by robust demand across our established therapies of anti-infectives, gastrointestinal, vitamins & minerals and pain management. Our US business also registered a healthy sequential growth during the quarter. We continue to track good progress in the biosimilar segment with our subsidiary Enzene Biosciences recently receiving marketing authorization for two new products for the India market, taking the total product approvals to three.”*

Operational Highlights

Domestic Business

In Q1FY22, the Company's India sales grew by 65.3% YoY, recording sales of ₹ 19,097 million as compared to ₹ 11,550 million in Q1FY21.

As per secondary sales data by IQVIA for the quarter ended June 30, 2021, the Company delivered a strong YoY growth of 61.1% compared to Indian Pharmaceutical Market (IPM) growth of 39.2% YoY. This growth was mainly driven by acute therapies like anti-infectives, vitamins/minerals/nutrients, gastrointestinal and pain management which witnessed a good volume growth partly helped by higher COVID- 19 cases during the quarter. Company's chronic therapies like neuro / CNS, anti-diabetes,



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cardiac and derma also grew faster than the segment growth rate, thereby gaining market share and improving their market rankings. 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. Many of the Company's top brands enjoy good brand equity with their prescriber base and are consistently outperforming in their representative markets. Company's trade generic business also delivered healthy growth during Q1FY22.

The performance highlights of the key therapeutic segments in Q1FY22 are as shown below:

Key Therapy Segment	Q1FY22			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	88.5%	93.6%
Gastro Intestinal	3	Unchanged	32.8%	33.2%
Pain / Analgesics	4	-1	43.7%	36.3%
VMN**	2	+2	86.6%	46.8%
Neuro / CNS	8	+3	38.9%	13.4%
Derma	19	+3	51.1%	23.8%
Cardiac	27	Unchanged	24.9%	19.0%
Anti-Diabetic	19	+2	34.3%	11.2%
Total	5	+2	61.1%	39.2%

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

**VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

International Business

In Q1FY22, the Company's International sales grew by 0.6% YoY, recording sales of ₹ 7,903 million as compared to ₹ 7,853 million in Q1FY21.

- **US sales** for the quarter was ₹ 6,043 million, recording a year-on-year decline of 9.3%.
- **Other International Markets sales** for the quarter was ₹ 1,860 million, recording a year-on-year growth of 56.4%.

R&D Investments

During the quarter, the Company filed 2 abbreviated new drug applications (ANDAs) with the US FDA and received 5 final approvals.

As on June 30, 2021, the Company filed a total of 152 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 112 ANDAs (including 15 tentative approvals) and 2 NDAs.



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Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
St. Louis (US)	Formulations	June 2021	Received 2 observations. The Company has already submitted a detailed response to the US FDA on the corrective and preventive actions it is taking to address them
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)	APIs	August 2018	Successfully closed without any observations. EIR received in October 2018
Ankleshwar (India)	APIs	December 2016	EIR# received in March 2017, thereby successfully closing the inspection
Mandva (India)	APIs	September 2015	EIR# received in March 2016, thereby successfully closing the inspection

EIR – Establishment Inspection Report

The US FDA had also conducted a remote and virtual Bio-Analytical inspection of the Company's Bioequivalence Center located at Taloja, Maharashtra from 26 to 28 July, 2021. At the end of the inspection, no Form 483 was issued.



ALKEM LABORATORIES LTD.

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- CIN: L00305MH1973PLC174201

Q1FY22 Conference Call at 4:30pm IST, August 6, 2021

Alkem will organize a conference call for investors and analysts on Friday, August 6, 2021 from 4:30pm to 5:30pm IST to discuss its Q1FY22 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: 4:30 pm IST (GMT + 5:30) on Friday, August 6, 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

Express Join with Diamond Pass

<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=9211737&linkSecurityString=21a4976756>

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

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ALKEM LABORATORIES LIMITED

ALKEM

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Investor Presentation Q1FY22
August 6, 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 Q1FY22

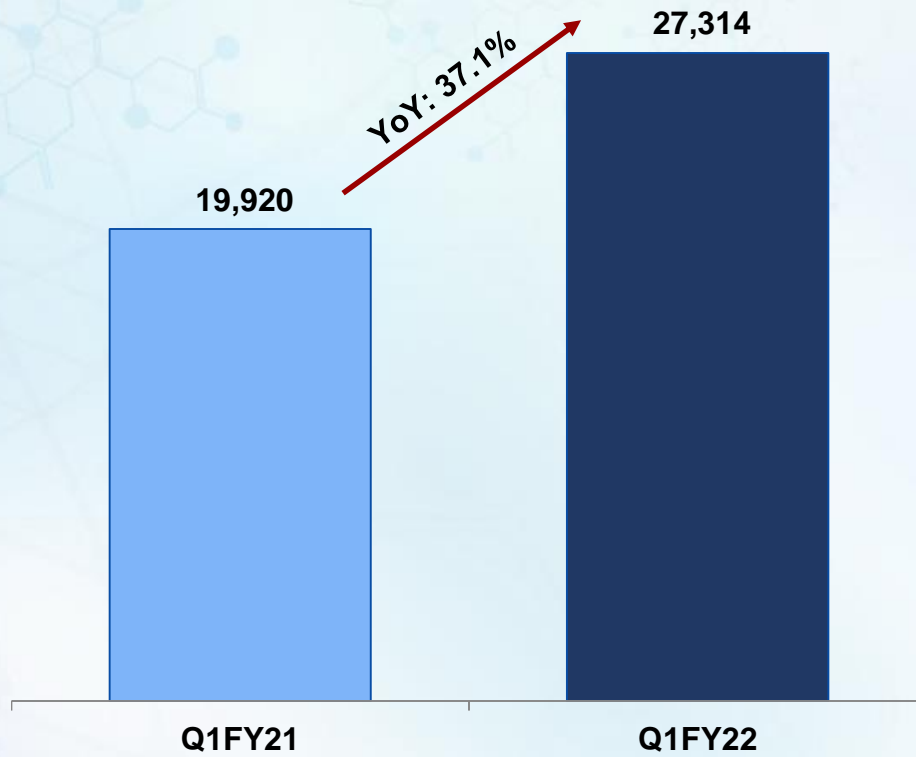
Good start to the financial year with strong growth in the India Business

- **Revenue from Operations** grew by 37.1% YoY during the quarter, with EBITDA margin of 21.7% and Net Profit growth of 10.9% YoY
- **India Business:** Company's secondary sales registered growth of 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
 - Strong volume led growth in the acute therapies
 - Faster than market growth in chronic therapies
 - Trade Generic business continues to deliver robust growth
- **US Business** posted sequential growth of 11.2% YoY compared to Q4FY21
- **R&D** expenses in the quarter was ₹ 1.2 billion at 4.3% of revenue from operations
 - The Company filed 2 ANDAs with the US FDA and received 5 final approvals in Q1FY22
- **Enzene Biosciences** – Recently received marketing authorization for 2 new products in India, taking total product approvals to three
- **Healthy Balance Sheet** with net cash of ₹ 9.8 billion as on June 30, 2021

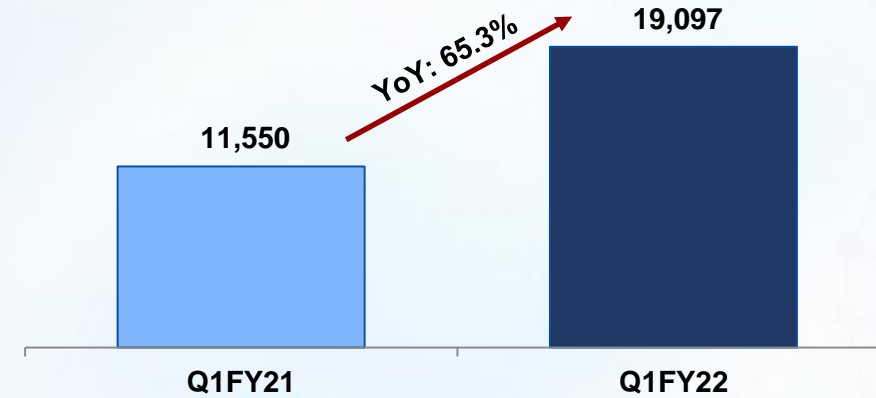
Key Financial Highlights – Q1FY22 (Consolidated)

All figures in ₹ mn

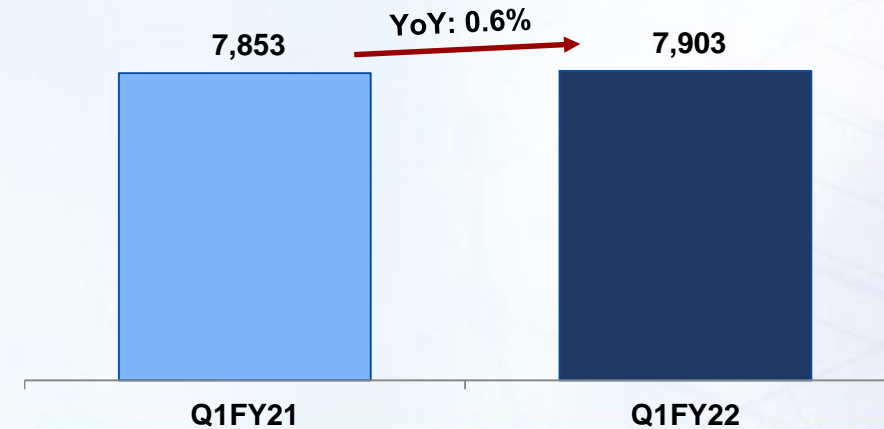
Revenue from Operations



India sales



International sales

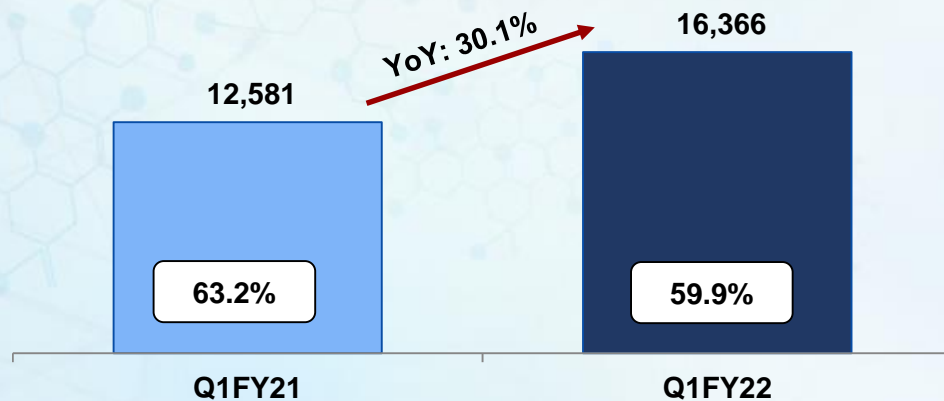


Key Financial Highlights – Q1FY22 (Consolidated)

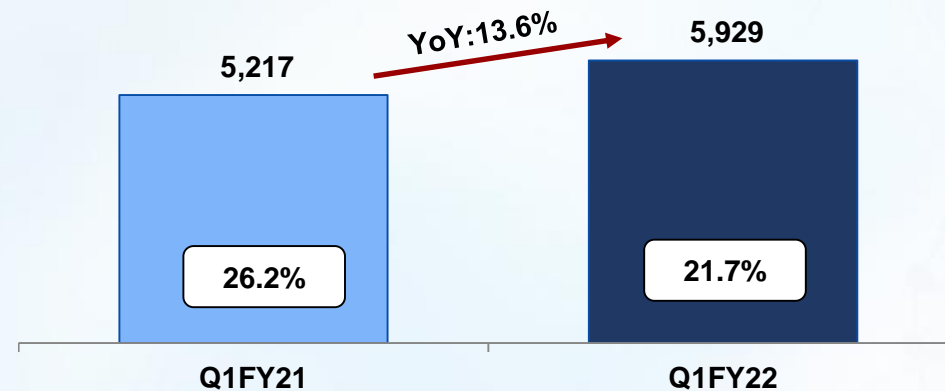


All figures in ₹ mn

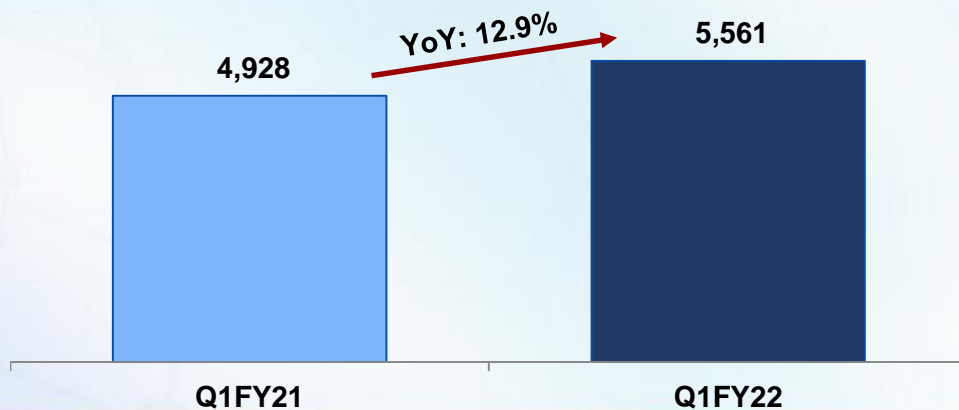
Gross Profit and Gross Margin



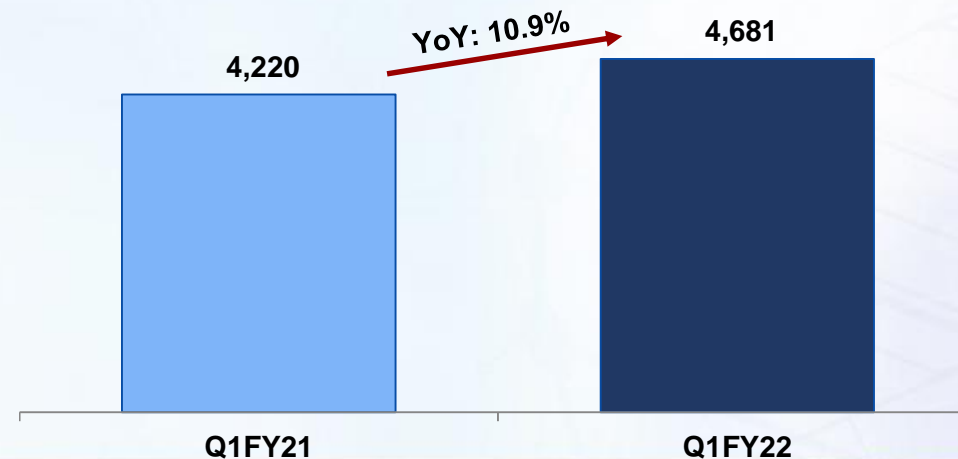
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)

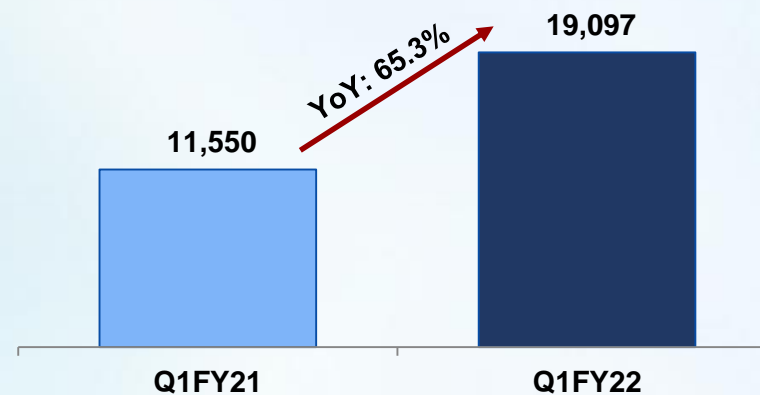


India Business

India Business: Q1FY22 Sales of ₹ 19,097 million (65.3% YoY growth)

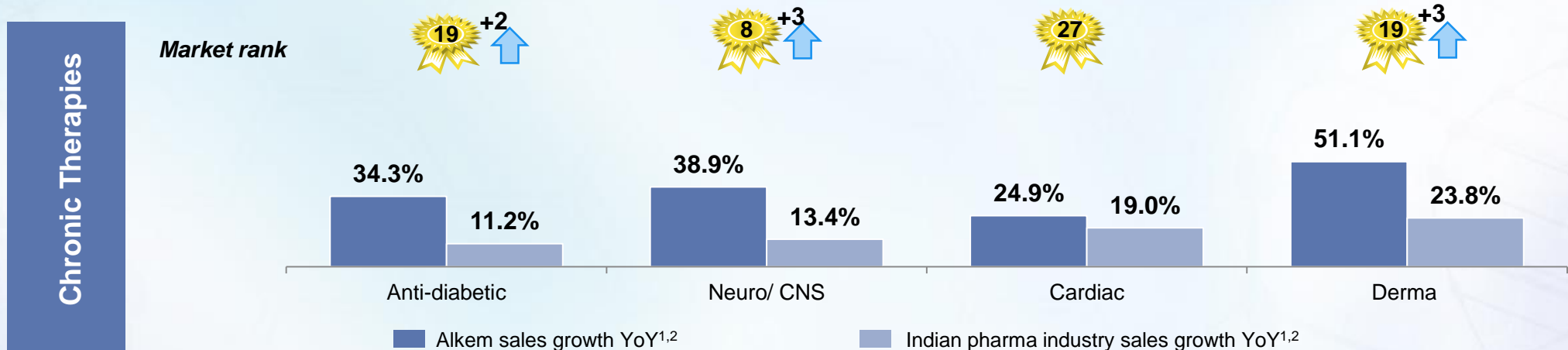
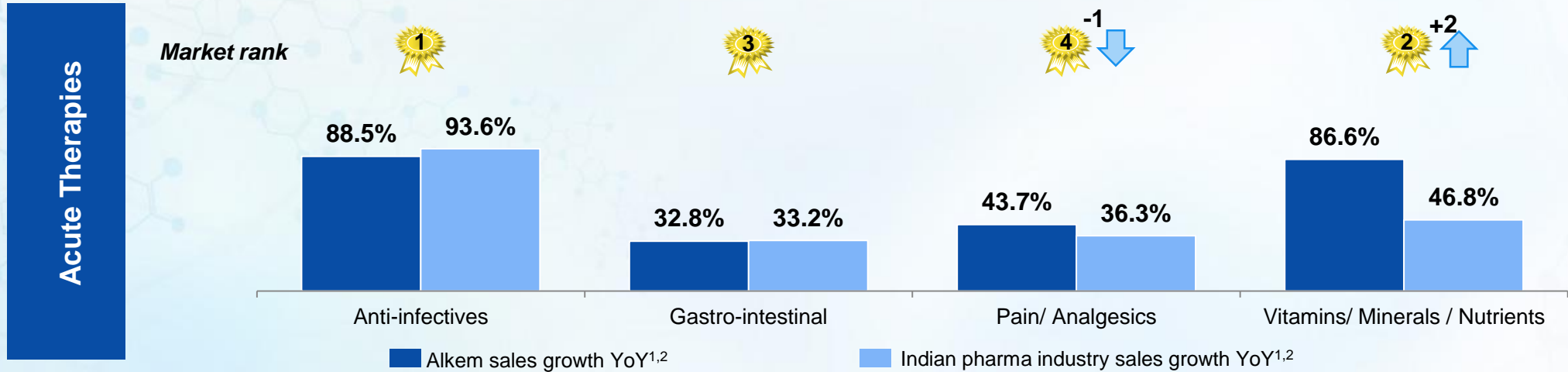
- India sales contributed 70.7% to total sales in Q1FY22
- In Q1FY22, the Company's secondary sales grew by 61.1% YoY compared to IPM growth of 39.2% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment
- The Company also outperformed in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma during the quarter
- Company's Trade Generic business delivered a robust growth during the quarter

Q1FY22 – India Sales (₹ mn)



Secondary Sales Performance

Robust growth across all the major therapeutic segments in Q1FY22



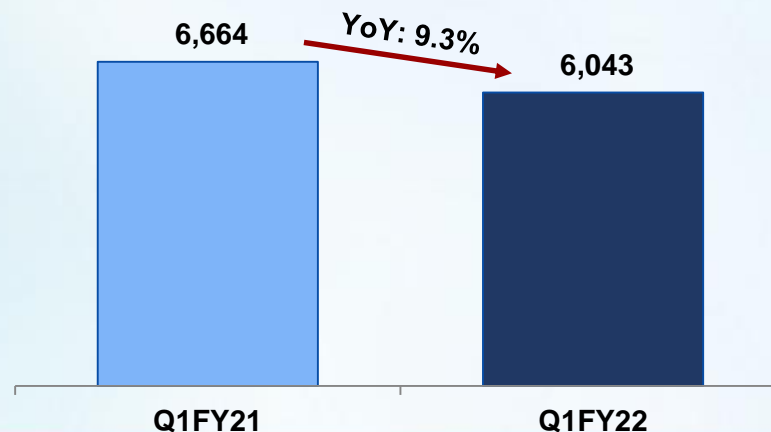
Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended June 30, 2021

US Business

US Business: Q1FY22 Sales of ₹ 6,043 million (YoY decline of 9.3%)

- US sales contributed 22.4% to total sales in Q1FY22
- During the quarter, the US business registered sequential growth of 11.2% over Q4FY21
- In Q1FY22, the Company filed 2 ANDAs with the US FDA and received 5 final approvals
- As on June 30, 2021, the Company has filed a total of 154 ANDAs (including 2 NDAs) with the US FDA and has received 114 approvals (including 15 tentative approvals and 2 NDAs)

Q1FY22 – US Sales (₹ mn)



US Business

Update on US FDA inspections

Facility	Capability	Last inspection	Status post last inspection
St. Louis (US)	Formulations	June 2021	Received 2 observations. Already sent a detail response to the US FDA on the corrective and preventive actions being taken
Baddi (India)	Formulations	February 2020	EIR# received in March 2020
Daman (India)	Formulations	August 2019	EIR# received in October 2019
California (US)	APIs	August 2018	EIR# received in October 2018
Ankleshwar (India)	APIs	December 2016	EIR# received in March 2017
Mandva (India)	APIs	September 2015	EIR# received in March 2016

EIR – Establishment Inspection Report indicating successful closure of inspection

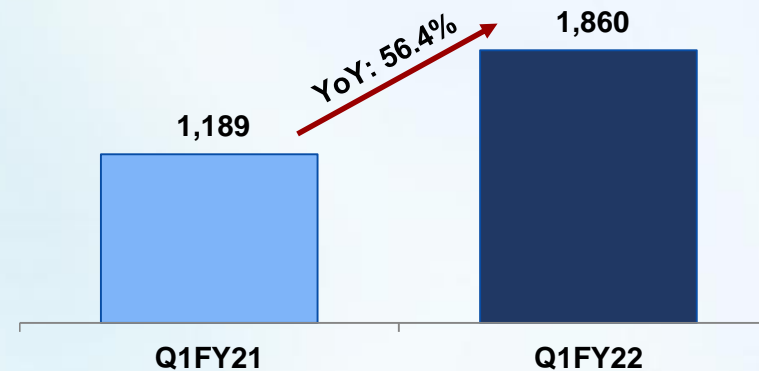
The US FDA had also conducted a remote and virtual Bio-Analytical inspection of the Company's Bioequivalence Center located at Taloja, Maharashtra from 26th to 28th July, 2021. At the end of the inspection, no Form 483 was issued.

Other International Business

Other International Business: Q1FY22 Sales of ₹ 1,860 million (56.4% YoY growth)

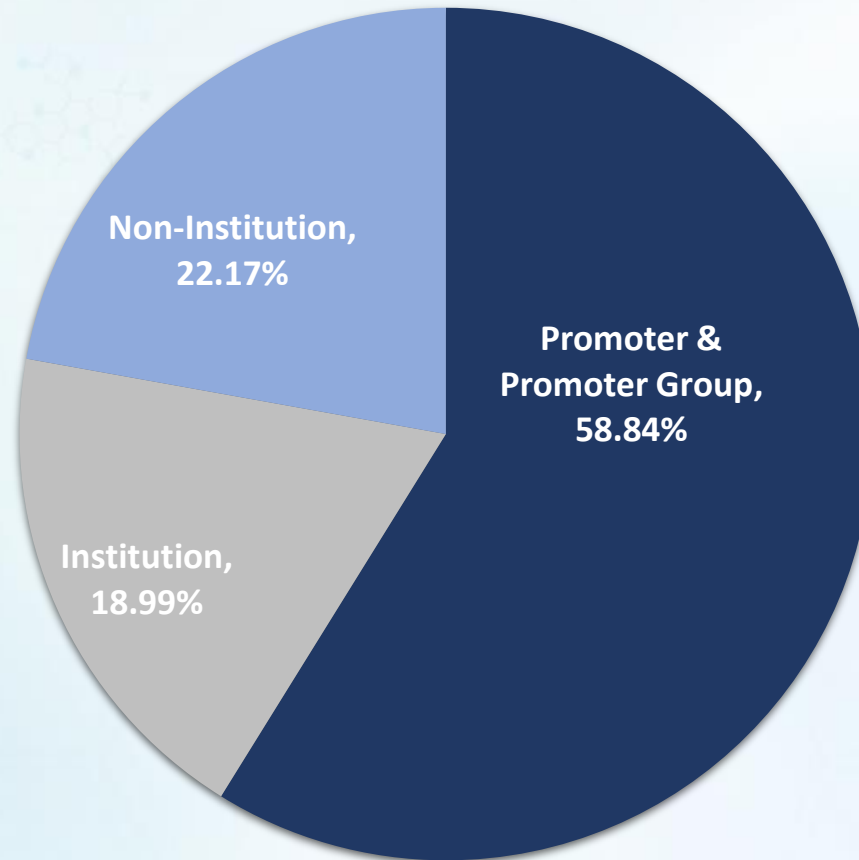
- Other International Market sales contributed 6.9% to total sales in Q1FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines, Kazakhstan and UK registered healthy growth during the quarter

**Q1FY22 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on June 30, 2021



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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