

**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

12th August, 2019

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: Unaudited Financial Results (Standalone and Consolidated) for the quarter ended
30th June, 2019.**

In continuation of our letter dated 1st August, 2019 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, 2019, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 12th August, 2019. The meeting of the Board of Directors of the Company commenced at 12.00 noon and concluded at 2.00 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

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
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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 "the Group") for the quarter ended 30 June 2019 ("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 Inc., USA	Wholly Owned Subsidiary
5.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary

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

Sr. No.	Name of entity	Relationship
6.	Alkem Laboratories (NIG) Limited, Nigeria	Wholly Owned Subsidiary (Upto 6 May 2018)
7.	Alkem Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
8.	Enzene Biosciences Ltd, India	Wholly Owned 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.	Ascends Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
14.	Ascends 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.	Alkem Laboratories S.A.S, Colombia	Wholly Owned Subsidiary (w.e.f. 4 June 2019)

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2019 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.
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 the other auditors referred to in paragraph 8 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 two subsidiaries included in the Statement, whose interim financial results reflect total revenues of Rs. 1,859.7 million, total net profit after tax of Rs. 34.2 million and total comprehensive loss of Rs. 5.5 million for the quarter ended 30 June 2019, 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 in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report 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 matters.

Limited review report (*Continued*)

Alkem Laboratories Limited

8. The Statement includes the interim financial statements / financial information / financial results of seventeen subsidiaries which have not been reviewed, whose interim financial statements / financial information / financial results reflect total revenues of Rs. 1,261.3 million, total net loss after tax of Rs. 396.9 million and total comprehensive loss of Rs. 26.5 million for the quarter ended 30 June 2019, 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 **BSR & Co. LLP**

Chartered Accountants

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



Sadashiv Shetty

Partner

Membership No: 048648

UDIN: 19048648AAAABG5070

Mumbai
12 August 2019



Alkem Laboratories Limited

Regd. Office : Alkem House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
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CIN: L00305MH1973PLC174201

Extract of Unaudited Consolidated Financial Results for the Quarter ended 30 June 2019

(₹ in Million except per share data)

Sr.No	Particulars	Quarter Ended	Quarter Ended	Year Ended
		30.06.2019	30.06.2018	31.03.2019
1	Total Income from Operations	18,495.0	16,589.4	73,571.9
2	Net Profit for the period (before tax and exceptional items)	2,100.2	1,717.7	9,546.6
3	Net Profit for the period before tax (after exceptional items)	2,100.2	1,717.7	9,546.6
4	Net Profit for the period after tax (after exceptional items) attributable to the owners of the Company	1,854.7	1,361.5	7,605.1
5	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (after tax)) attributable to the owners of the Company	1,716.5	1,646.0	7,916.2
6	Paid-up equity Share Capital (Face Value per Share: ₹ 2)	239.1	239.1	239.1
7	Other Equity			54,154.3
8	Earnings Per Share (Face Value per share: ₹ 2 /- (not annualised for quarters)			
a	Basic (in ₹) :	15.51	11.39	63.61
b	Diluted (in ₹) :	15.51	11.39	63.61

Notes:

1 Key numbers of Standalone Financial Results

a. Total Income from Operations	14,985.1	12,699.0	57,140.9
b. Profit Before Tax	2,285.6	1,576.2	9,439.6
c. Profit After Tax	2,106.2	1,294.9	7,998.4

2 The above unaudited financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019.

3 The above is an extract of the detailed format of Quarterly/Year ended Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly/Year ended Financial Results are available on the Stock Exchange websites viz. www.bseindia.com and www.nseindia.com. The same is also available on the company website viz. www.alkemlabs.com

By Order of the Board
For Alkem Laboratories Limited

B. N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 12 August 2019

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Statement of Unaudited Consolidated Financial Results for the Quarter ended 30 June 2019

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended
	30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited
1 Income				
(a) Revenue from operations	18,495.0	18,542.0	16,589.4	73,571.9
(b) Other income	174.7	276.6	267.7	877.0
Total Income	18,669.7	18,818.6	16,857.1	74,448.9
2 Expenses				
(a) Cost of materials consumed	5,453.7	5,100.8	3,839.1	18,111.4
(b) Purchases of stock-in-trade	3,443.9	3,213.3	2,776.0	11,301.9
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,779.4)	(558.3)	(311.2)	36.4
(d) Employee benefits expense	3,903.2	3,488.0	3,394.5	13,624.6
(e) Finance costs	161.2	65.9	162.6	546.3
(f) Depreciation and amortisation expense	558.3	572.7	424.5	1,931.8
(g) Other expenses	4,828.6	4,948.1	4,853.9	19,349.9
Total Expenses	16,569.5	16,830.5	15,139.4	64,902.3
3 Profit before exceptional items and tax (1) - (2)	2,100.2	1,988.1	1,717.7	9,546.6
4 Exceptional items	-	-	-	-
5 Profit before tax (3) - (4)	2,100.2	1,988.1	1,717.7	9,546.6
6 Tax expense / (credit)				
Current tax	634.8	501.1	395.8	2,291.7
Deferred tax	(407.5)	(218.0)	(50.8)	(481.5)
Total Tax Expense	227.3	283.1	345.0	1,810.2
7 Profit for the period (5) - (6)	1,872.9	1,705.0	1,372.7	7,736.4
8 Other Comprehensive Income (net of tax)				
Items that will not be reclassified to profit or loss	(12.6)	(78.6)	10.9	(69.4)
Income tax relating to items that will not be reclassified to profit or loss	3.3	27.2	(3.6)	23.7
Items that will be reclassified to profit or loss	(131.4)	13.7	279.5	355.7
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Total Other Comprehensive Income (net of tax)	(140.7)	(37.7)	286.8	310.0
9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	1,732.2	1,667.3	1,659.5	8,046.4
10 Profit attributable to				
a) Owners of the Company	1,854.7	1,673.6	1,361.5	7,605.1
b) Non-Controlling Interest	18.2	31.4	11.2	131.3
11 Other Comprehensive Income attributable to				
a) Owners of the Company	(138.2)	(36.6)	284.5	311.1
b) Non-Controlling Interest	(2.5)	(1.1)	2.3	(1.1)
12 Total Comprehensive Income attributable to				
a) Owners of the Company	1,716.5	1,637.0	1,646.0	7,916.2
b) Non-Controlling Interest	15.7	30.3	13.5	130.2
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14 Other Equity				54,154.3
15 Earnings Per Share of ₹2 each (not annualised for the quarters)				
(a) ₹ (Basic)	15.51	14.00	11.39	63.61
(b) ₹ (Diluted)	15.51	14.00	11.39	63.61

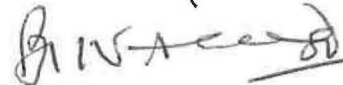
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Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019. The figures for the quarter ended 31 March 2019 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 2018, which were subjected to limited review and not subjected to audit.
- 2 Effective 1 April 2019, the Group has adopted Ind AS 116 "Leases" applicable to all contracts having lease components existing on 1 April 2019 using modified retrospective approach. This has resulted in recognising right of use asset and a corresponding lease liability of **Rs.947.2 million** as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the quarter ended 30 June 2019 is lower by **Rs.5.6 million**. Consequent to adoption of Ind AS 116, there is no impact on retained earnings as on 1 April 2019 resulting in no restatement in results of comparative period.
- 3 The Group operates in one reportable business segment i.e. "Pharmaceuticals".

Place: Mumbai
Date: 12 August 2019

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

B S R & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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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 2019 ('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 2019 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



Sadashiv Shetty
Partner

Membership No: 048648

UDIN: 19048648AAAABH3980

Mumbai
12 August 2019

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 2019

(₹ in Million except per share data)


	Particulars	Quarter ended			Year ended
		30.06.2019 Unaudited	31.03.2019 Audited	30.06.2018 Unaudited	31.03.2019 Audited
1	Income				
	(a) Revenue from operations	14,985.1	14,678.4	12,699.0	57,140.9
	(b) Other income	127.2	190.7	194.3	675.8
	Total Income	15,112.3	14,869.1	12,893.3	57,816.7
2	Expenses				
	(a) Cost of materials consumed	4,633.7	4,261.0	3,037.0	14,972.2
	(b) Purchases of stock-in-trade	2,017.0	1,901.6	1,896.3	6,880.9
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(937.6)	(103.2)	11.2	865.6
	(d) Employee benefits expense	2,835.8	2,449.5	2,427.6	9,600.9
	(e) Finance costs	91.5	14.5	104.2	282.6
	(f) Depreciation and amortisation expense	401.3	409.8	316.1	1,410.7
	(g) Other expenses	3,785.0	3,789.4	3,524.7	14,364.2
	Total Expenses	12,826.7	12,722.6	11,317.1	48,377.1
3	Profit before exceptional item and tax (1) - (2)	2,285.6	2,146.5	1,576.2	9,439.6
4	Exceptional item	-	-	-	-
5	Profit before tax (3) - (4)	2,285.6	2,146.5	1,576.2	9,439.6
6	Tax expense / (credit)				
	Current tax	532.3	457.7	340.0	2,004.1
	Deferred tax	(352.9)	(219.4)	(58.7)	(562.9)
	Total Tax Expense	179.4	238.3	281.3	1,441.2
7	Profit for the period after tax (5 - 6)	2,106.2	1,908.2	1,294.9	7,998.4
8	Other Comprehensive Income (net of tax)				
	Items that will not be reclassified to profit or loss	(5.8)	(73.5)	3.1	(64.3)
	Income tax relating to items that will not be reclassified to profit or loss	2.0	25.7	(1.1)	22.5
	Items that will be reclassified to profit or loss	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(3.8)	(47.8)	2.0	(41.8)
9	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	2,102.4	1,860.4	1,296.9	7,956.6
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
11	Other Equity				54,413.0
12	Earnings Per Share of ₹ 2 each (not annualised for the quarters)				
	(a) ₹ (Basic)	17.62	15.96	10.83	66.90
	(b) ₹ (Diluted)	17.62	15.96	10.83	66.90

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Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 12 August 2019. The figures for the quarter ended 30 June 2019 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2019. The figures for the quarter ended 31 March 2019 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 2018, which were subjected to limited review and not subjected to audit.
- 2 Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" applicable to all contracts having lease components existing on 1 April 2019 using modified retrospective approach. This has resulted in recognising right of use asset and a corresponding lease liability of **Rs.646.2 million** as at 1 April 2019. In the statement of profit and loss for the current period, operating lease expenses has changed from lease rent to depreciation cost for the right of use asset and finance cost for interest accrued on lease liability. Due to this change, profit before tax for the quarter ended 30 June 2019 is lower by **Rs.5.4 million**. Consequent to adoption of Ind AS 116, there is no impact on retained earnings as on 1 April 2019 resulting in no restatement in results of comparative period.
- 3 The Company operates in one reportable business segment i.e. "Pharmaceuticals".

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Date: 12 August 2019

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12th August, 2019

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 Q1FY20 Results

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q1FY20 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 Q1FY20 Results

Mumbai, August 12, 2019: Alkem Laboratories Ltd (Alkem) today announced its standalone and consolidated financial results for the first quarter ending June 30, 2019. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key financial highlights of Q1FY20

- Revenue from Operations was Rs.18,495 million, year-on-year growth of 11.5%
 - India sales were Rs.12,222 million, year-on-year growth of 12.1%
 - International sales were Rs.5,912 million, year-on-year growth of 7.9%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.2,645 million, resulting in EBITDA margin of 14.3% vs. 12.3% in Q1FY19. EBITDA grew by 29.8% YoY
- R&D expenses for the quarter was Rs.1,034 million, or 5.6% of Revenue from Operations compared to Rs.986 million in Q1FY19 at 5.9% of Revenue from Operations
- Profit before tax (PBT) was Rs.2,100 million, a growth of 22.3% compared to Q1FY19
- Net Profit (after Minority Interest) was Rs.1,855 million, year-on-year growth of 36.2%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "We have had a positive start to the financial year with both our key markets of India and US registering a healthy double digit growth during the quarter. Our EBITDA margin for the quarter also showed a good YoY improvement on the back of various cost optimization initiatives we have been taking. Our operating cashflows have also shown a mark improvement over the same quarter last year. We look forward to sustain this momentum for the rest of the year."

Operational Highlights

India Business

In Q1FY20, the Company's India sales grew by 12.1% YoY, recording a sales of Rs.12,222 million as compared to Rs.10,906 million in Q1FY19.

As per IQVIA data, for the twelve months ended June 2019, the Company gained one rank in the Indian Pharmaceutical Market (IPM) and now features amongst the top five pharmaceutical companies in India. During the quarter, the Company registered a value growth of 18.7% YoY, outperforming the IPM growth of 10.4% YoY.

In the Company's established therapy areas of anti-infectives, gastro-intestinal and vitamins/minerals/nutrients, it grew significantly ahead of the therapy growth rate led by strong brands, effective sales and marketing strategies and robust supply chain and distribution network. The



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Company also built upon its growing base in the chronic therapy areas of neuro/CNS, cardiac, anti-diabetes and derma. During the quarter, the Company gained two ranks in the neuro/CNS segment and is now positioned as the sixth largest neuro/CNS company in India. The Company also gained one rank in the anti-diabetes segment during the quarter. Over the last two years, the Company has also added more than 2,000 MRs to its field force in order to expand its reach in the India pharma market and increase focus on its key brands.

The performance highlights in the key therapeutic segments in Q1FY20 is as shown below:

Key Therapy segment	Q1FY20			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	22.0%	10.5%
Gastro Intestinal	3	Unchanged	17.5%	8.8%
Pain / Analgesics	3	Unchanged	13.8%	12.0%
Vitamins / Minerals / Nutrients	4	Unchanged	23.5%	12.0%
Neuro / CNS	6	+2	13.9%	9.3%
Derma	16	Unchanged	2.6%	8.5%
Cardiac	26	Unchanged	27.1%	11.5%
Anti-Diabetic	21	+1	36.4%	12.3%
Total	5	+1	18.7%	10.4%

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

Source: IQVIA data

International Business

In Q1FY20, the Company's International sales grew by 7.9% YoY, recording sales of Rs.5,912 million as compared to Rs.5,479 million in Q1FY19.

- **US sales** for the quarter was Rs.4,817 million, recording a year-on-year growth of 13.7%.
- **Other International Markets sales** for the quarter was Rs.1,095 million, compared to Rs.1,242 million in Q1FY19.

R&D Investments

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

As on June 30, 2019, the Company has filed a total of 126 ANDAs and 1 new drug application (NDA) with the US FDA. Of these, it has received approvals for 72 ANDAs (including 11 tentative approvals) and 1 NDA.



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- CIN: L00305MH1973PLC174201

Q1FY20 Conference Call at 11:00 am IST, August 13, 2019

Alkem Laboratories Ltd. will organize a conference call for investors and analysts on Tuesday, August 13, 2019 at 11:00 am IST to discuss its Q1FY20 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 will host the call.

Details of the conference call are as under:

Time: 11:00 am IST (GMT + 5:30) on Tuesday, August 13, 2019.

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 MAT June 2019). The Company also has presence in more than 50 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 Ltd.

Investor Presentation Q1FY20 – August 12, 2019

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 Q1FY20



- **Revenue from Operations** grew by 11.5% YoY during the quarter, accompanied by 200 bps YoY improvement in EBITDA margin
- **Profit After Tax** grew by 36.2% compared to the previous year
- **India Business:** As per secondary sales data by IQVIA, for the twelve months ending June 2019, Alkem gained one rank and now features amongst the top 5 pharmaceutical companies in India
 - Company's secondary sales in Q1FY20 grew by 18.7% YoY – significantly higher than IPM growth of 10.4% YoY (Source: IQVIA data)
- **US Business** grew by 13.7% YoY in Q1FY20, largely driven by new product launches and market share gain in existing products
- **R&D** expenses during the quarter was at 5.6% of revenue from operations
 - The Company filed 2 ANDAs and received 5 ANDA approvals (including 2 tentative) from the US FDA in Q1FY20
- **Improvement in working capital and operating cashflows:** Improvement in profit margins along with better working capital management led to significant improvement in operating cashflows over the previous year

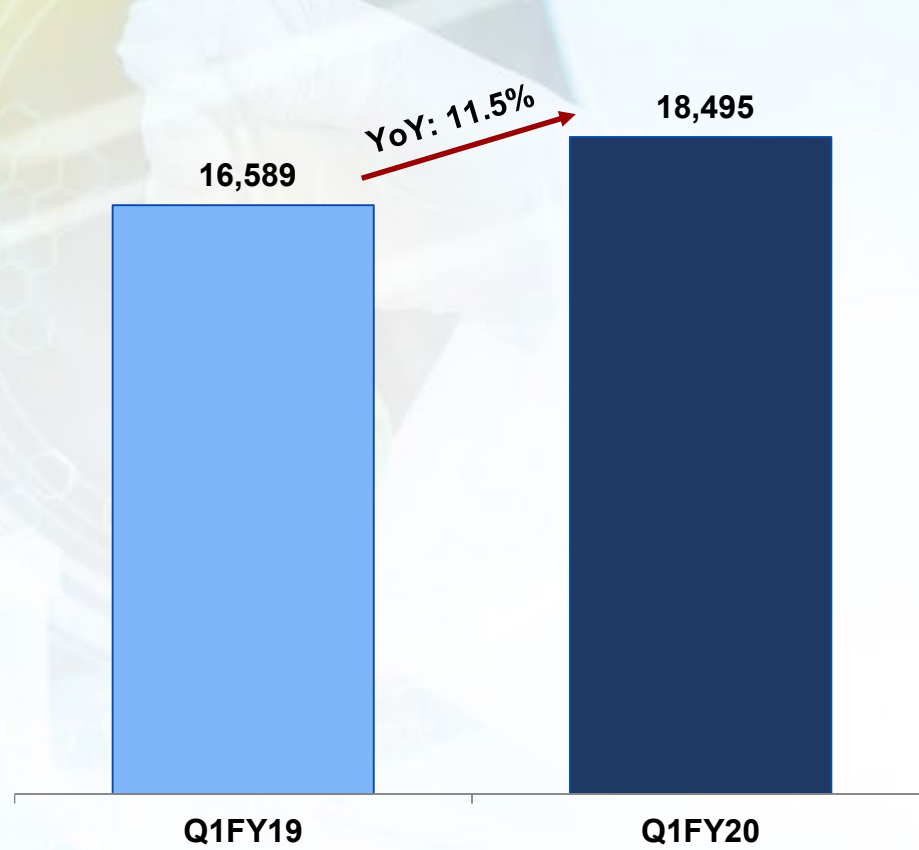


Key Financial Highlights – Q1FY20 (Consolidated)

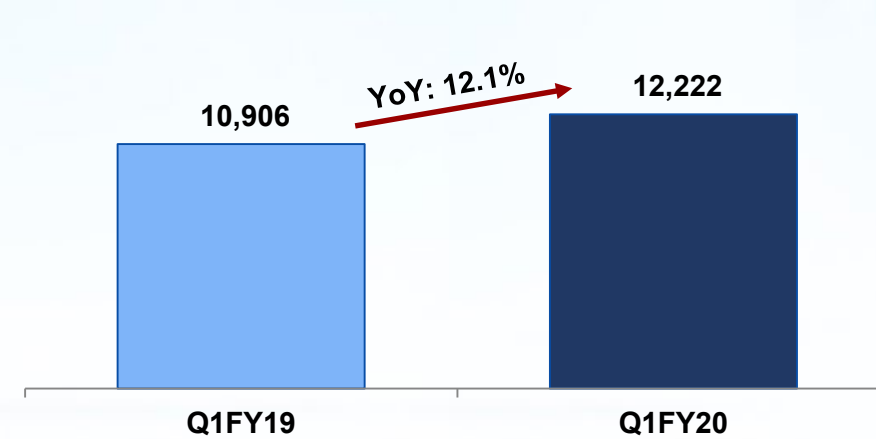


All figures in Rs mn

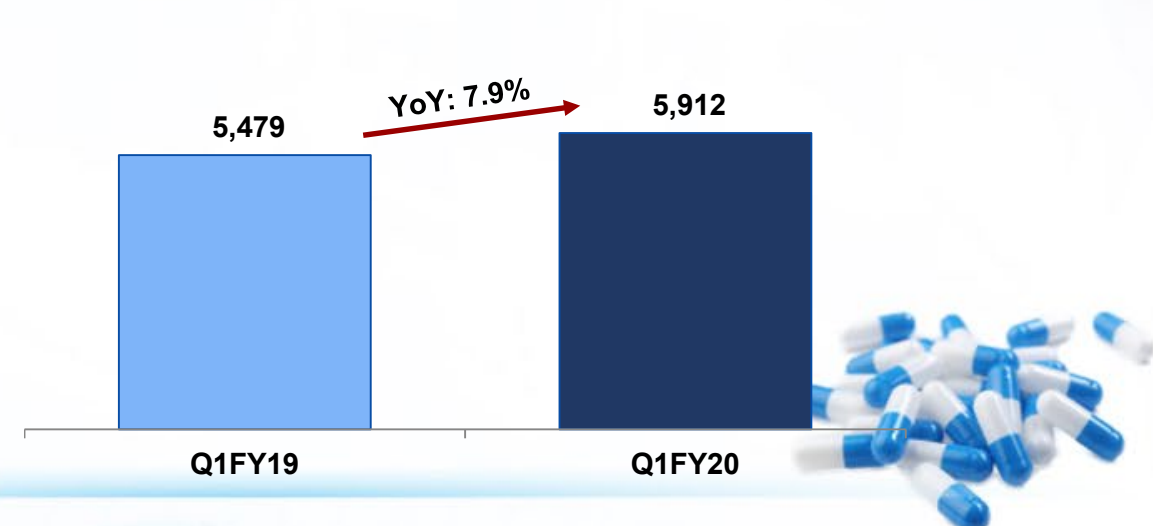
Revenue from Operations



India sales



International sales

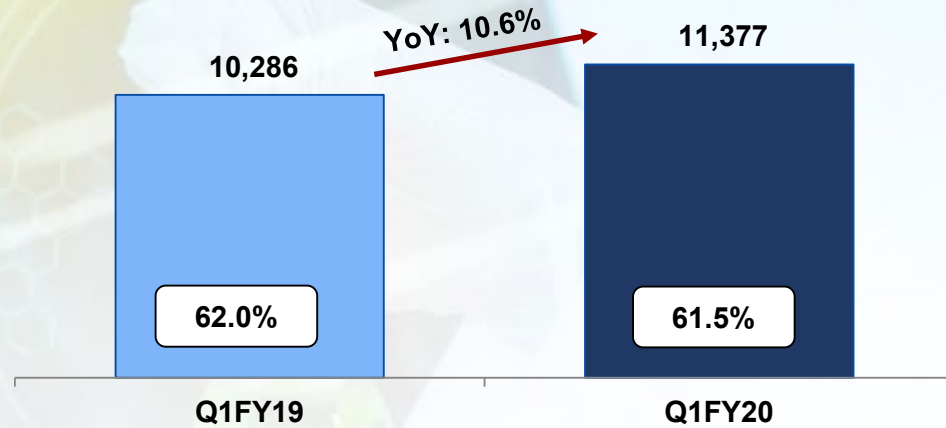


Key Financial Highlights – Q1FY20 (Consolidated)

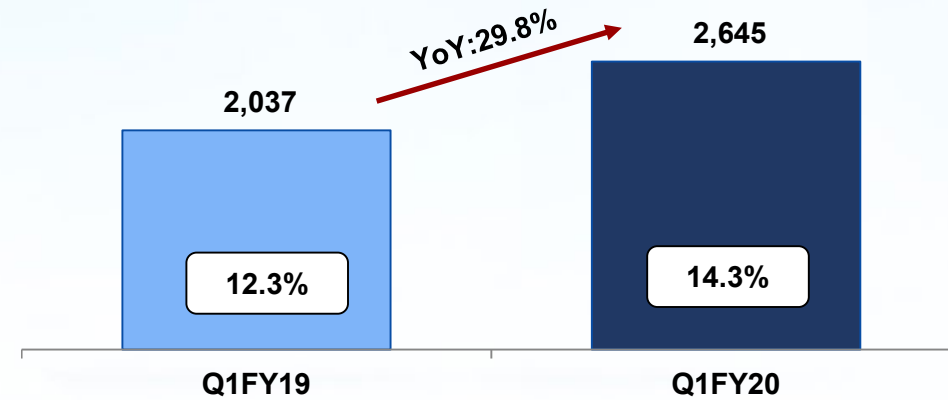


All figures in Rs mn

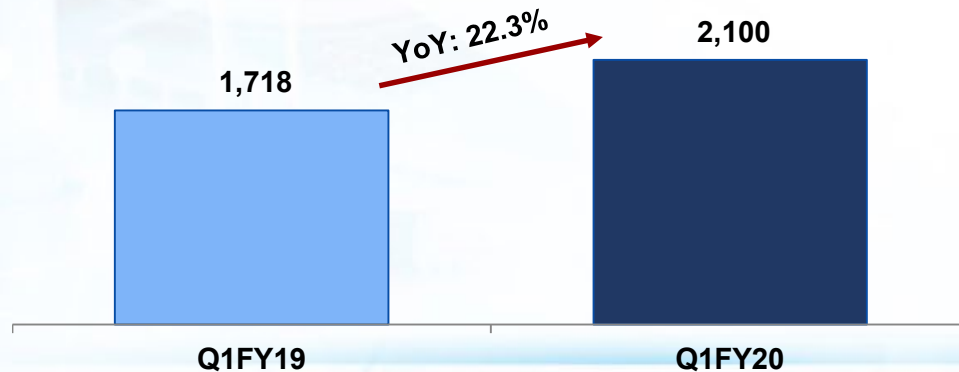
Gross Profit and Gross Margin



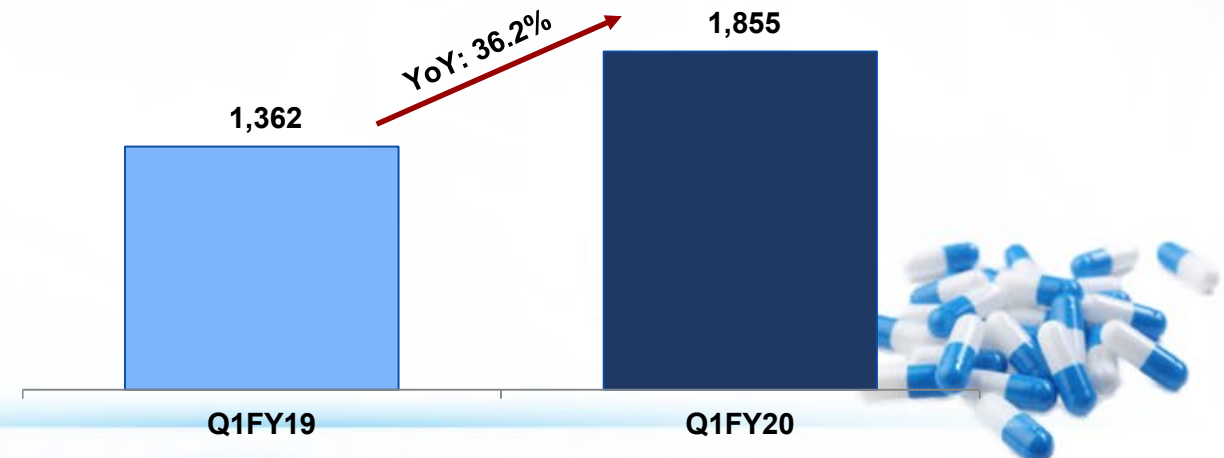
EBITDA and EBITDA Margin



PBT (before Minority Interest)



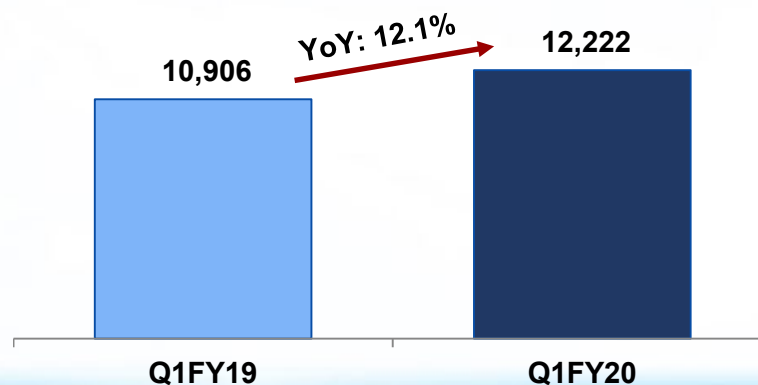
PAT (after Minority Interest)



India Business: Q1FY20 Sales of Rs.12,222 million (12.1% YoY growth)

- India sales contributed 67.4% to total sales in Q1FY20
- As per secondary sales data by IQVIA, for the twelve months ended June 2019, Alkem gained one rank and now features amongst the top five pharmaceutical companies in India
- In Q1FY20, Company's secondary sales grew by 18.7% YoY, outperforming the IPM growth of 10.4% YoY (Source: IQVIA data)
- The Company grew significantly ahead of the market in its established therapy areas of Anti-infectives, Gastro-intestinal and Vitamins / Minerals / Nutrients (Source: IQVIA data)
- In the chronic therapy area of Neuro / CNS, the Company gained two ranks and now positioned as the 6th largest Neuro / CNS company in India. In Anti-diabetes segment, the Company gained one rank (Source: IQVIA data)

Q1FY20 – India Sales (Rs mn)

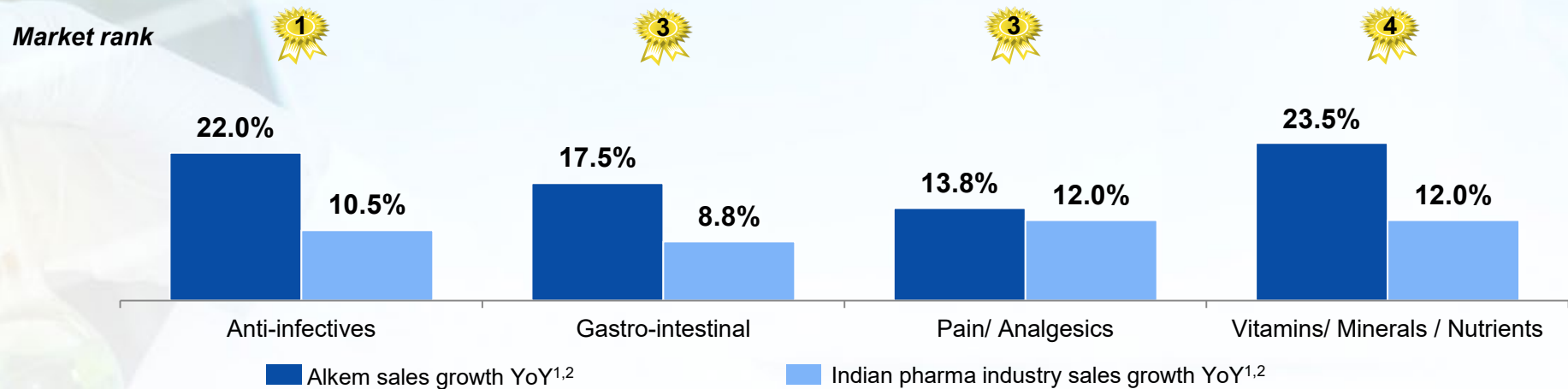


India Business – Secondary Sales Performance

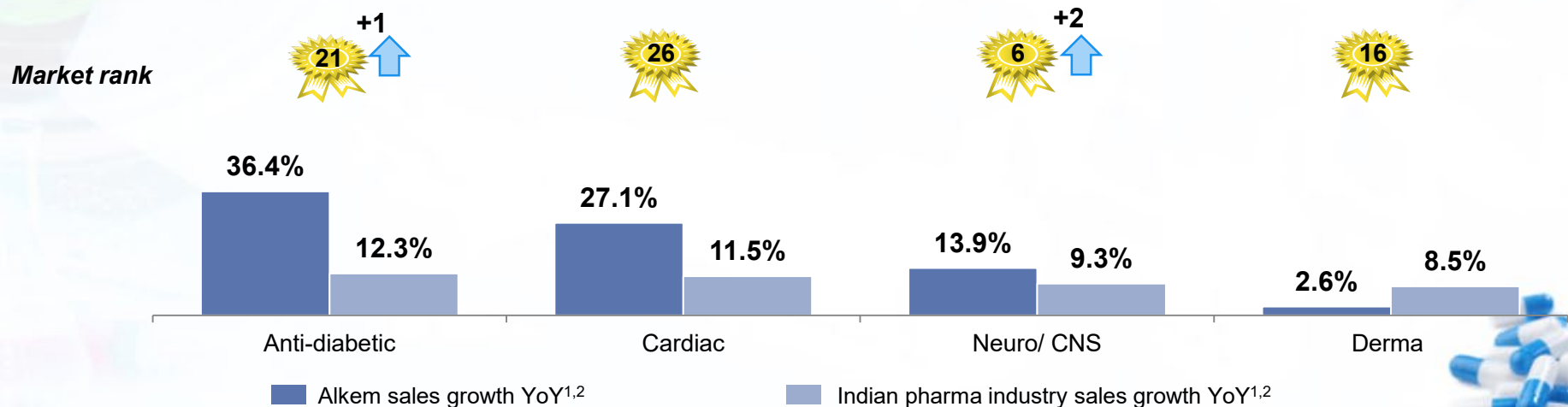


Outperformance across most of the major therapeutic areas in Q1FY20

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem

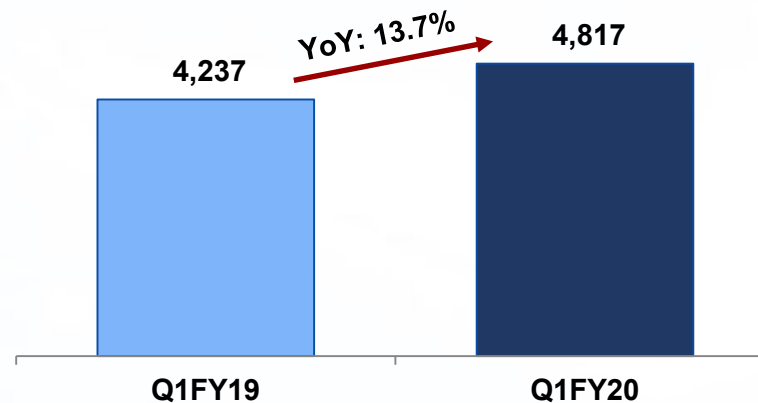


Source: IQVIA data ¹ Domestic formulations sales; ² For 3 months ended June 30, 2019

US Business: Q1FY20 Sales of Rs.4,817 million (13.7% growth YoY)

- US sales contributed 26.6% to total sales in Q1FY20
- In Q1FY20, the Company filed 2 ANDAs with the US FDA and received 5 approvals (including 2 tentative approval)
- As on June 30, 2019, the Company has filed a total of 127 ANDAs (including 1 NDA) with the US FDA and has received 73 approvals (including 11 tentative approvals and 1 NDA)
- Recently, the Company received an EIR for its formulation manufacturing facility at Baddi (India) which was inspected in May 2019

Q1FY20 – US Sales (Rs mn)



Update on the US FDA inspection



Facility	Scope	Last inspection	Status post last inspection
Baddi (India)	Formulation	May 2019	EIR# received in July 2019, thereby successfully closing the inspection
St. Louis (US)	Formulation	February – March 2019	Received Form 483 with 8 observations. Plant classified as OAI*
Daman (India)	Formulation	January 2019	Successfully closed without any observations
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

*OAI – Official Action Indicated

EIR – Establishment Inspection Report

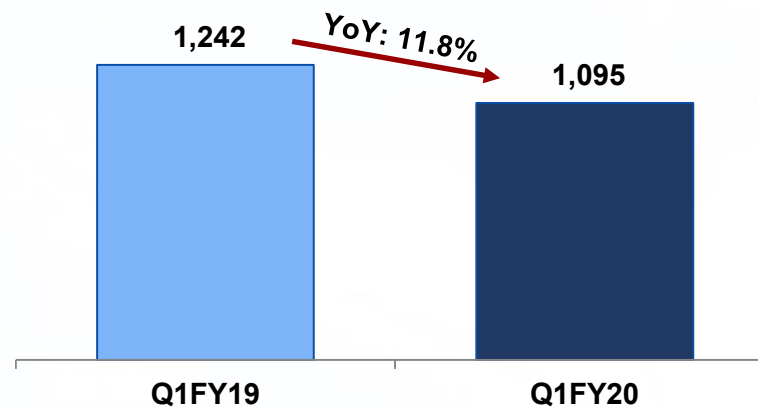


Other International Business

Other International Business: Q1FY20 Sales of Rs.1,095 million (decline of 11.8% YoY)

- Other International Market sales contributed 6.0% to total sales in Q1FY20
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Chile and Philippines registered healthy growth during the quarter

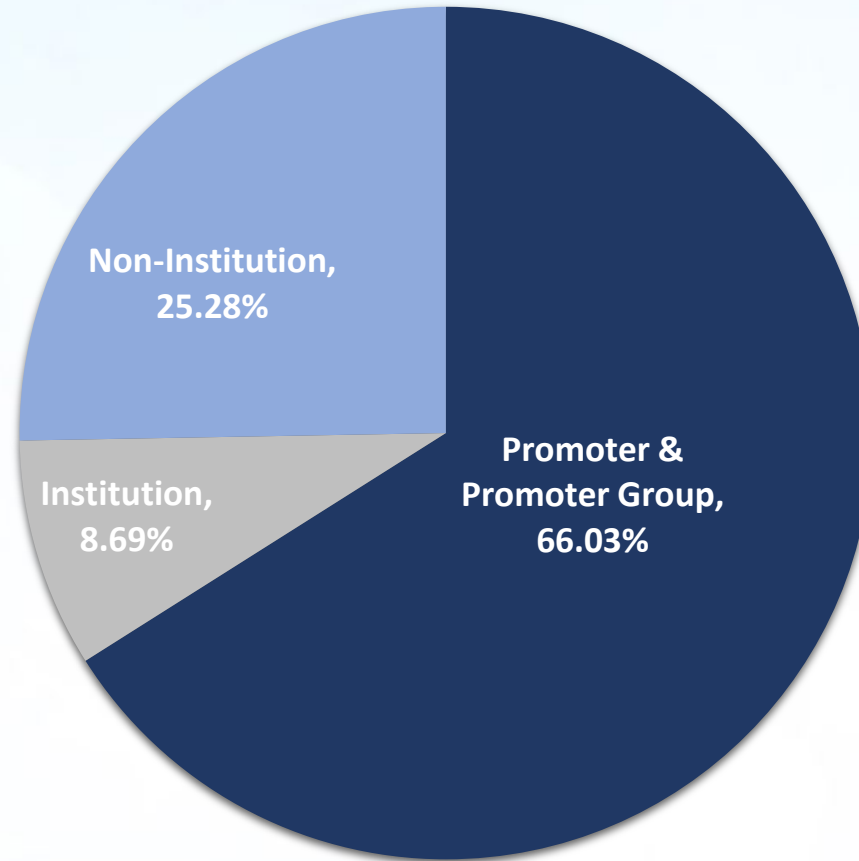
Q1FY20 – Other International Sales
(Rs mn)



Latest Shareholding Pattern



Shareholding pattern as on June 30, 2019



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

