

**ALKEM LABORATORIES LTD.**

Regd. Office : ALKEM HOUSE, Senapati Bapat Marg,
Lower Parel (West), Mumbai - 400 013, Maharashtra, India.

- Phone: +91-22-3982 9999 • Fax: 022-2495 2955
- Email: contact@alkem.com • Website: www.alkemlabs.com
- CIN: L00305MH1973PLC174201

07th August, 2020

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, 2020.**

In continuation of our letter dated 27th July, 2020 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, 2020, duly approved by the Board of Directors of the Company, at its meeting held today, i.e. 07th August, 2020. The meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 01.20 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

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Limited review Report

To the 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 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.

B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
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N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011 India

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

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
6.	S & B Pharma LLC	Wholly owned by ThePharmanetwork, LLC (w.e.f 8 April 2020)
7.	Alkem Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
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	Wholly Owned Subsidiary (w.e.f 12 June 2020)
23.	Ascend 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 2020 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 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.

Limited review Report (*Continued*)

Alkem Laboratories Limited

7. We did not review the interim financial statements / financial information / financial results of two subsidiaries included in the Statement, whose interim financial statements / financial information / financial results reflect total revenues (before consolidation adjustments) of Rs 1,439.9 million total net profit after tax (before consolidation adjustments) of Rs 25.4 million and total comprehensive income (before consolidation adjustments) of Rs 23.5 million, for the quarter ended 30 June 2020, 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 matters.

8. The Statement includes the interim financial statements/ financial information/ financial results of eighteen subsidiaries which have not been reviewed whose interim financial statements/ financial information/ financial results reflect total revenue (before consolidation adjustments) of Rs. 1,274.6 million, total net (loss) after tax (before consolidation adjustments) of Rs. 562.0 million and total comprehensive loss (before consolidation adjustments) of Rs. 540.3 million for the quarter ended 30 June 2020. 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 matters.

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

Chartered Accountants

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

SADASHIV
SHANKAR SHETTY

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Sadashiv Shetty

Partner

Membership No: 048648

ICAI UDIN: 20048648AAAABT7184

Mumbai
7 August 2020

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 2020

(₹ in Million except per share data)

	Particulars	Quarter ended			Year ended
		30.06.2020 Unaudited	31.03.2020 Audited (Refer Note 1)	30.06.2019 Unaudited	31.03.2020 Audited
1	Income				
	(a) Revenue from Operations	20,034.9	20,489.9	18,495.0	83,443.6
	(b) Other Income	435.0	274.7	174.7	1,042.2
	Total Income	20,469.9	20,764.6	18,669.7	84,485.8
2	Expenses				
	(a) Cost of materials consumed	5,386.7	5,085.7	5,453.7	21,318.3
	(b) Purchases of stock-in-trade	3,468.2	3,484.2	3,443.9	14,430.6
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,516.3)	374.0	(1,779.4)	(2,299.5)
	(d) Employee benefits expense	3,942.3	3,299.2	3,903.2	15,054.9
	(e) Finance costs	171.0	141.5	161.2	650.6
	(f) Depreciation and amortisation expense	668.3	810.5	558.3	2,527.6
	(g) Other expenses	3,422.2	5,216.5	4,828.6	20,205.4
	Total Expenses	15,542.4	18,411.6	16,569.5	71,887.9
3	Profit before exceptional items and tax (1) - (2)	4,927.5	2,353.0	2,100.2	12,597.9
4	Exceptional items	-	-	-	-
5	Profit before tax (3) - (4)	4,927.5	2,353.0	2,100.2	12,597.9
6	Tax expense / (credit)				
	(a) Current tax	1,000.6	1,390.8	634.8	3,542.5
	(b) Deferred tax	(305.0)	(992.4)	(407.5)	(2,123.9)
	Sub-total (a + b)	695.6	398.4	227.3	1,418.6
	(c) Tax adjustment of earlier periods	-	39.2	-	(313.8)
	Total Tax Expense (a + b + c)	695.6	437.6	227.3	1,104.8
7	Profit for the period (5) - (6)	4,231.9	1,915.4	1,872.9	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	(12.6)	(234.0)	(12.6)	(280.9)
	(ii) Tax on remeasurements of defined benefit plans	4.2	82.7	3.3	96.5
	(b) Items that will be reclassified to profit or loss				
	(i) Foreign currency translation difference of foreign operations	22.5	365.8	(131.4)	453.0
	(ii) Tax on remeasurements of foreign currency translation difference of foreign operations	-	-	-	-
	Total other Comprehensive Income (net of tax)	14.1	214.5	(140.7)	268.6
9	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	4,246.0	2,129.9	1,732.2	11,761.7
10	Profit attributable to				
	a) Owners of the Company	4,220.1	1,887.7	1,854.7	11,270.7
	b) Non-Controlling Interest	11.8	27.7	18.2	222.4
11	Other Comprehensive Income attributable to				
	a) Owners of the Company	15.0	209.8	(138.2)	274.0
	b) Non-Controlling Interest	(0.9)	4.7	(2.5)	(5.4)
12	Total Comprehensive Income attributable to				
	a) Owners of the Company	4,235.1	2,097.5	1,716.5	11,544.7
	b) Non-Controlling Interest	10.9	32.4	15.7	217.0
13	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1
14	Other Equity				61,367.6
15	Earnings Per Share of ₹2 each (not annualised for				
	(a) ₹ (Basic)	35.30	15.79	15.51	94.26
	(b) ₹ (Diluted)	35.30	15.79	15.51	94.26

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 6 August 2020 and subsequently approved by the Board of Directors at its meeting held on 7 August 2020. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2020. The figures for the quarter ended 31 March 2020 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 2019, 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.

Place: Mumbai
Date: 7 August 2020

By Order of the Board
For Alkem Laboratories Limited

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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 the 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 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2020 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.

Limited review Report (Continued)

Alkem Laboratories Limited

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
SHANKAR SHETTY

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Date: 2020.08.07 13:19:35
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Sadashiv Shetty

Partner

Membership No: 048648

ICAI UDIN: 20048648AAAABS5517

Mumbai
7 August 2020

ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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Statement of Unaudited Standalone Financial Results for the Quarter ended 30 June 2020

(₹ in Million except per share data)

Particulars	Quarter ended			Year ended
	30.06.2020 Unaudited	31.03.2020 Audited (Refer Note 1)	30.06.2019 Unaudited	31.03.2020 Audited
1 Income				
(a) Revenue from Operations	15,508.5	16,875.2	14,985.1	66,770.8
(b) Other Income	324.5	259.2	127.2	959.8
Total Income	15,833.0	17,134.4	15,112.3	67,730.6
2 Expenses				
(a) Cost of materials consumed	4,664.0	4,263.7	4,633.7	17,998.7
(b) Purchases of stock-in-trade	2,101.8	1,786.0	2,017.0	7,843.8
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,834.1)	775.8	(937.6)	(336.9)
(d) Employee benefits expense	2,844.3	2,255.5	2,835.8	10,667.6
(e) Finance costs	120.4	95.1	91.5	387.1
(f) Depreciation and amortisation expense	478.5	637.6	401.3	1,868.4
(g) Other expenses	2,666.8	4,256.4	3,785.0	15,921.1
Total Expenses	11,041.7	14,070.1	12,826.7	54,349.8
3 Profit before exceptional item and tax (1) - (2)	4,791.3	3,064.3	2,285.6	13,380.8
4 Exceptional item	-	-	-	-
5 Profit before tax (3) - (4)	4,791.3	3,064.3	2,285.6	13,380.8
6 Tax expense / (credit)				
(a) Current tax	833.3	942.0	532.3	2,783.3
(b) Deferred tax	(303.6)	(629.0)	(352.9)	(1,732.9)
Sub-total (a + b)	529.7	313.0	179.4	1,050.4
(c) Tax adjustment of earlier periods	-	39.2	-	(313.8)
Total Tax Expense (a + b + c)	529.7	352.2	179.4	736.6
7 Profit for the period after tax (5 - 6)	4,261.6	2,712.1	2,106.2	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	(9.8)	(248.1)	(5.8)	(265.6)
(ii) Tax on remeasurements of defined benefit plans	3.4	86.7	2.0	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)	(6.4)	(161.4)	(3.8)	(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)	4,255.2	2,550.7	2,102.4	12,471.4
10 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	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 quarters)				
(a) ₹ (Basic)	35.64	22.68	17.62	105.75
(b) ₹ (Diluted)	35.64	22.68	17.62	105.75

Notes

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 6 August 2020 and subsequently approved by the Board of Directors at its meeting held on 7 August 2020. The auditors have expressed an unmodified opinion on the financial results for the quarter ended 30 June 2020. The figures for the quarter ended 31 March 2020 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 2019, 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 operates in one reportable business segment i.e. "Pharmaceuticals", accordingly no separate disclosure of segment has been made.

By Order of the Board
For Alkem Laboratories Limited

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Place: Mumbai
Date: 7 August 2020

B.N. Singh
Executive Chairman
DIN: 00760310



ALKEM LABORATORIES LTD.

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Press Release

Alkem reports Q1FY21 Results

Mumbai, August 7, 2020: Alkem Laboratories Ltd (Alkem) today announced its standalone and consolidated financial results for the first quarter ended June 30, 2020. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key financial highlights of Q1FY21

- Revenue from Operations was ₹ 20,035 million, year-on-year growth of 8.3%
 - India sales were ₹ 11,550 million, year-on-year decline of 5.5%
 - International sales were ₹ 7,853 million, year-on-year growth of 32.8%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 5,332 million, resulting in EBITDA margin of 26.6% vs. 14.3% in Q1FY20. EBITDA grew by 101.6% YoY
- R&D expenses for the quarter was ₹ 1,186 million, or 5.9% of Revenue from Operations compared to ₹ 1,034 million in Q1FY20 at 5.6% of Revenue from Operations
- Profit before tax (PBT) was ₹ 4,928 million, a growth of 134.6% compared to Q1FY20
- Net Profit (after Minority Interest) was ₹ 4,220 million, year-on-year growth of 127.5%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "In these unprecedented times, I am pleased to share that the Company responded well to various challenges that came up mainly in the areas of manufacturing and supply chain to ensure that there were no shortages of essential medicines. The Company delivered a resilient performance led by strong growth in its US business. While the India business was impacted by lockdown, the Company maintained its outperformance in its key established therapies of anti-infectives and gastro-intestinal. Superior revenue mix and savings on marketing activities helped Company register strong EBITDA margins. Going forward, while it's difficult to predict how the situation will unfold, the Company is taking all the necessary steps to ensure minimal impact on its operations."

Operational Highlights

India Business

In Q1FY21, the Company's India sales declined by 5.5% YoY, recording a sales of ₹ 11,550 million as compared to ₹ 12,222 million in Q1FY20.

COVID-19 led lockdown significantly impacted the new prescription generation during the quarter on account of shutdown of clinics, hospital OPDs and deferment of surgeries. As a result, Indian Pharmaceutical Market (IPM) registered a YoY decline of 4.9% during the quarter (Source: IQVIA data). The decline was sharper in the acute therapy areas of anti-infectives, gastro-intestinal, pain / analgesics and vitamins / minerals / nutrients compared to chronic therapy areas like neuro / CNS, cardiac and anti-diabetes which registered a YoY growth during the quarter.



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With a significant part of the Company's domestic sales coming from the acute therapy segments, the Company's secondary sales during the quarter recorded a decline of 11.8% YoY. However the Company continued its outperformance in therapy areas of anti-infectives, gastro-intestinal, vitamins / minerals / nutrients, cardiac and anti-diabetes. This was driven by the Company's strong brands, effective sales and marketing strategies, robust supply chain and distribution network and contribution from new product launches.

The performance highlights in the key therapeutic segments in Q1FY21 is as shown below:

Key Therapy segment	Q1FY21			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	-22.1%	-24.9%
Gastro Intestinal	3	Unchanged	-4.0%	-8.4%
Pain / Analgesics	3	Unchanged	-14.1%	-12.1%
Vitamins / Minerals / Nutrients	4	Unchanged	3.9%	-3.5%
Neuro / CNS	11	-4	-14.7%	5.5%
Derma	22	-6	-35.7%	-5.1%
Cardiac	27	-1	13.9%	11.6%
Anti-Diabetic	21	Unchanged	11.7%	7.9%
Total	7	-2	-11.8%	-4.9%

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

Source: IQVIA Data June 2020

International Business

In Q1FY21, the Company's International sales grew by 32.8% YoY, recording sales of ₹ 7,853 million as compared to ₹ 5,912 million in Q1FY20.

- **US sales** for the quarter was ₹ 6,664 million, recording a year-on-year growth of 38.3%.
- **Other International Markets sales** for the quarter was ₹ 1,189 million, recording a year-on-year growth of 8.6%.

R&D Investments

During the quarter, the Company filed 4 abbreviated new drug applications (ANDAs) with the US FDA and received 2 approvals (including 1 tentative approval).

As on June 30, 2020, the Company filed a total of 146 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 88 ANDAs (including 13 tentative approvals) and 2 NDAs.



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Q1FY21 Conference Call at 4:45pm IST, August 7, 2020

Alkem will organize a conference call for investors and analysts on Friday, August 7, 2020 from 4:45pm to 5:30pm IST to discuss its Q1FY21 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: 4:45 pm to 5:30 pm IST (GMT + 5:30) on Friday, August 7, 2020.

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 data 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

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Alkem Laboratories Ltd.

Investor Presentation Q1FY21 – August 7, 2020



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 Q1FY21

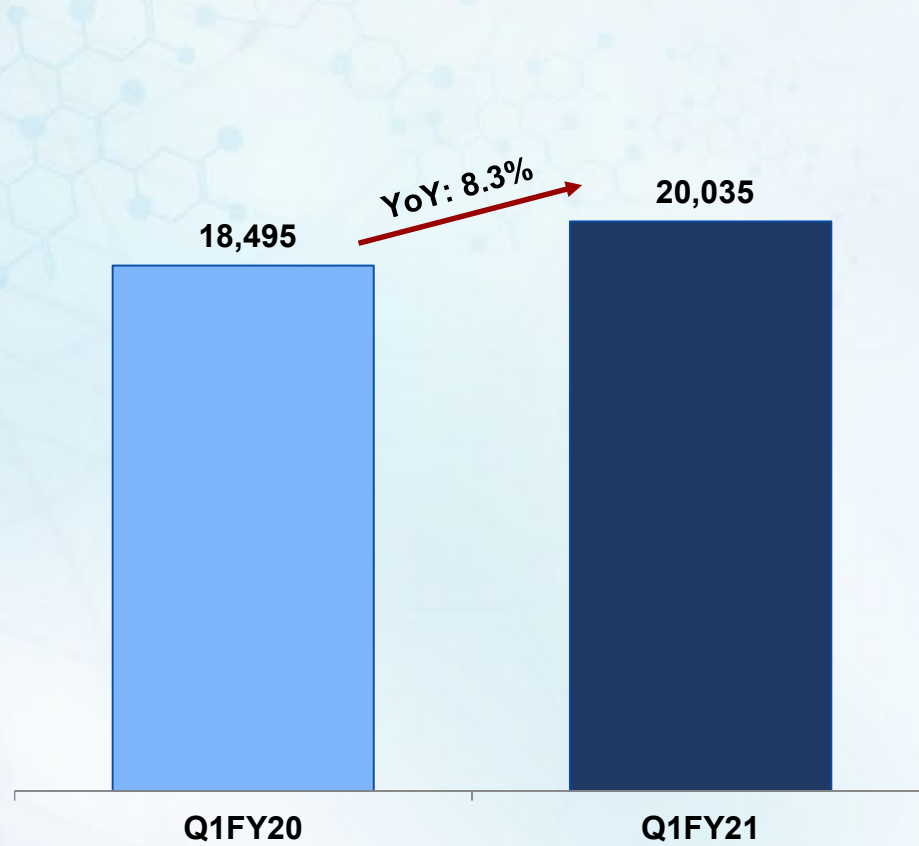
Resilient performance amidst unprecedented times

- **Revenue from Operations** grew by 8.3% YoY during the quarter, accompanied by significant expansion in EBITDA margin to 26.6% compared to 14.3% in Q1FY20
- **Profit After Tax** grew by 127.5% compared to the previous year
- **India Business:** Lower patient footfalls and shutdown of hospital OPDs and private clinics impacted the new prescription generation during the quarter. IPM registered a decline of 4.9% YoY with steeper decline in acute therapies
 - Company's secondary sales declined by 11.8% YoY (Source: IQVIA data)
 - Company maintained its outperformance in its key established therapies of anti-infectives and gastro-intestinal (Source: IQVIA data)
- **US Business** grew by 38.3% YoY during the quarter, largely driven by new product launches
- **R&D** expenses during the quarter was at 5.9% of revenue from operations compared to 5.6% in Q1FY20
 - The Company filed 4 ANDAs and received 2 ANDA approvals (including 1 tentative approval) from the US FDA in Q1FY21

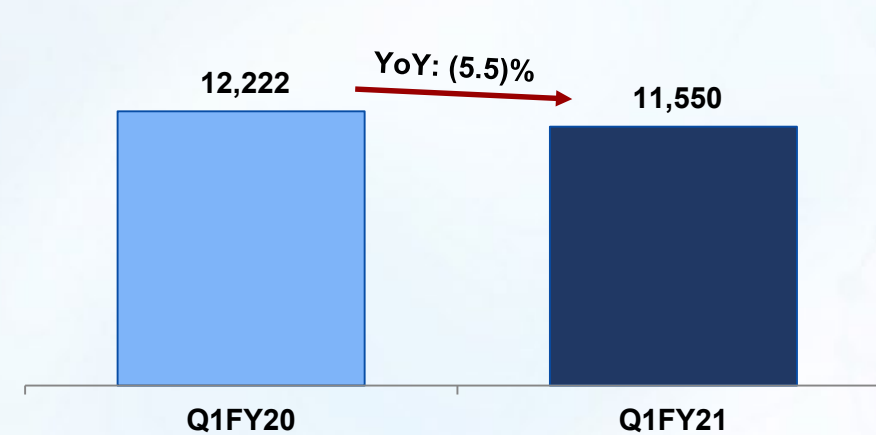
Key Financial Highlights – Q1FY21 (Consolidated)

All figures in ₹ mn

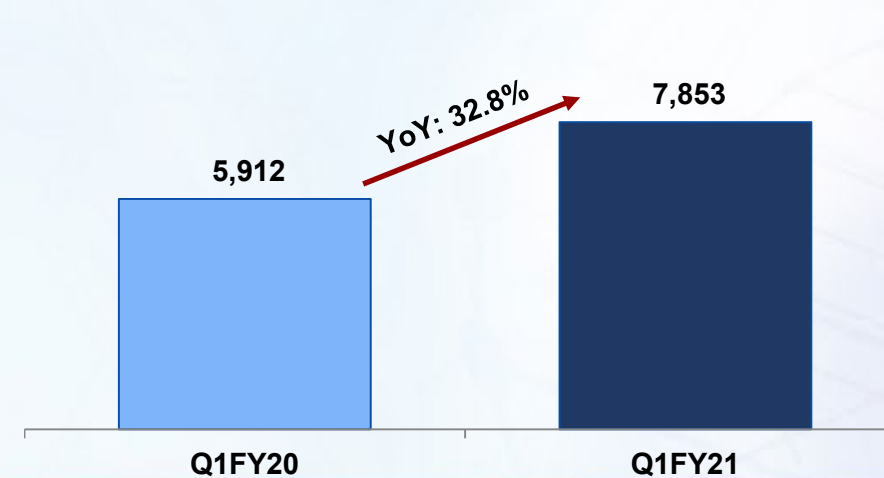
Revenue from Operations



India sales



International sales

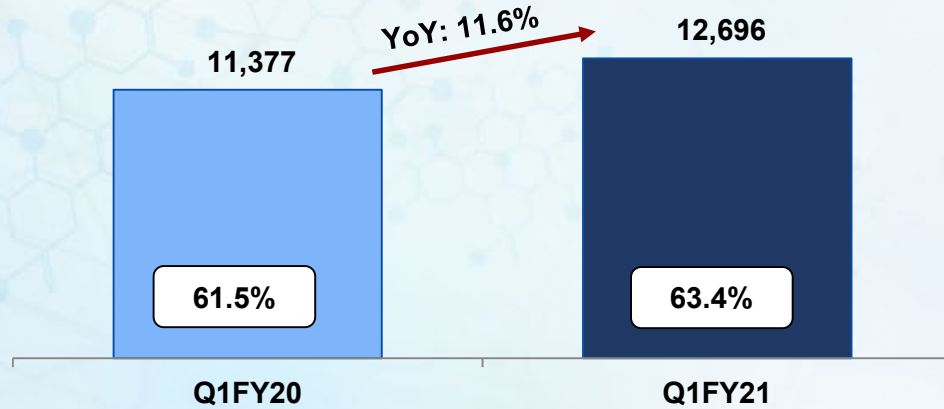


Key Financial Highlights – Q1FY21 (Consolidated)

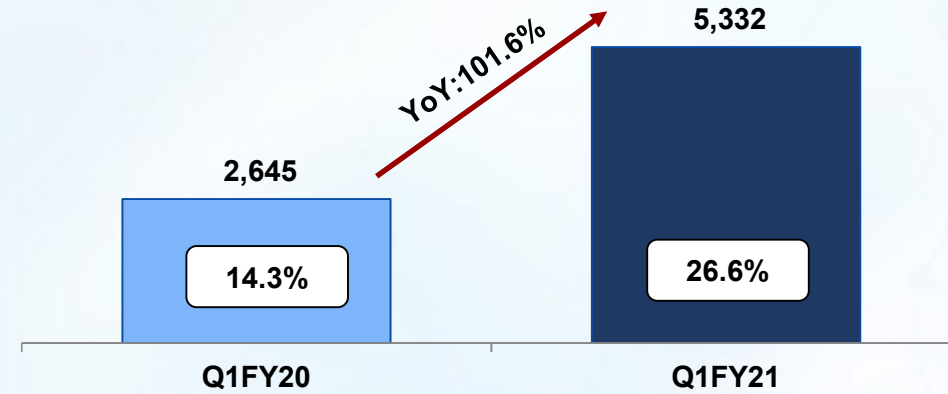


All figures in ₹ mn

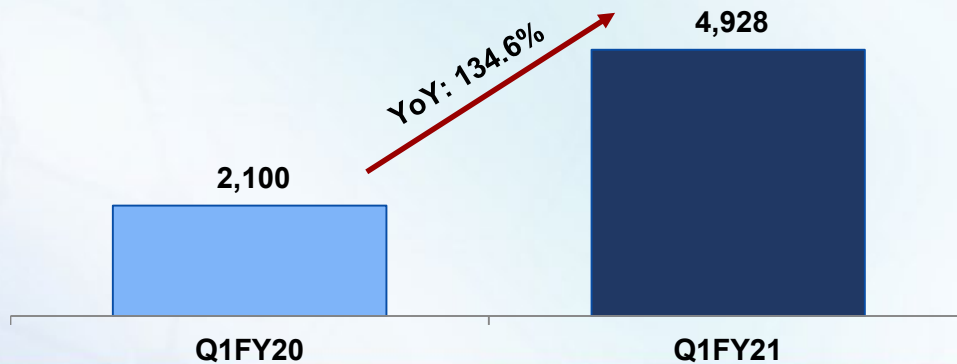
Gross Profit and Gross Margin



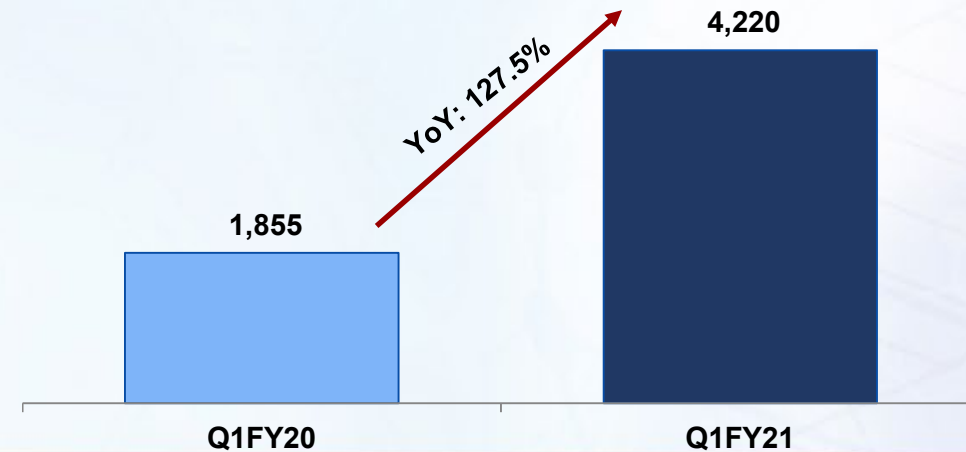
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)

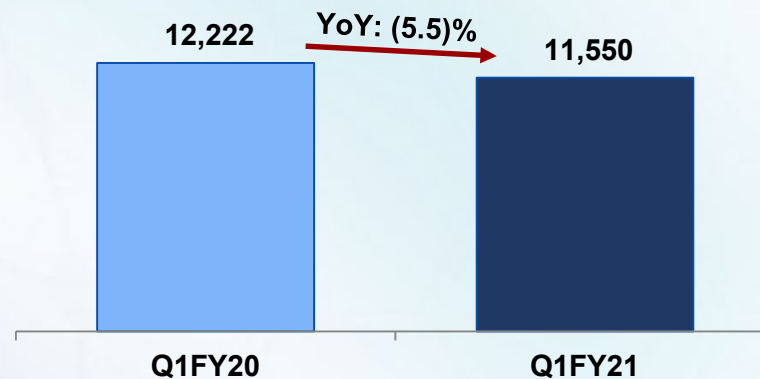


India Business

India Business: Q1FY21 Sales of ₹ 11,550 million (5.5% YoY decline)

- India sales contributed 59.5% to total sales in Q1FY21
- Shutdown in clinics, hospital OPDs and deferment of surgeries due to COVID-19 lockdown significantly impacted the new prescription generation during the quarter
- As a result, IPM's secondary sales for the quarter ended June 2020 declined by 4.9% YoY, with sharper decline in acute therapies like anti-infectives, gastro-intestinal and pain / analgesics. Alkem's secondary sales dipped by 11.8% YoY in Q1FY21
- The Company grew ahead of the market in the therapy areas of Anti-infectives, Gastro-intestinal, Vitamins / Minerals / Nutrients, Cardiac and Anti-diabetes

Q1FY21 – India Sales (₹ mn)



Therapy-wise performance in Q1FY21

Therapy segment	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	-22.1%	-24.9%
Gastro Intestinal	-4.0%	-8.4%
Pain / Analgesics	-14.1%	-12.1%
Vitamins / Minerals / Nutrients	3.9%	-3.5%
Neuro / CNS	-14.7%	5.5%
Derma	-35.7%	-5.1%
Cardiac	13.9%	11.6%
Anti-Diabetic	11.7%	7.9%

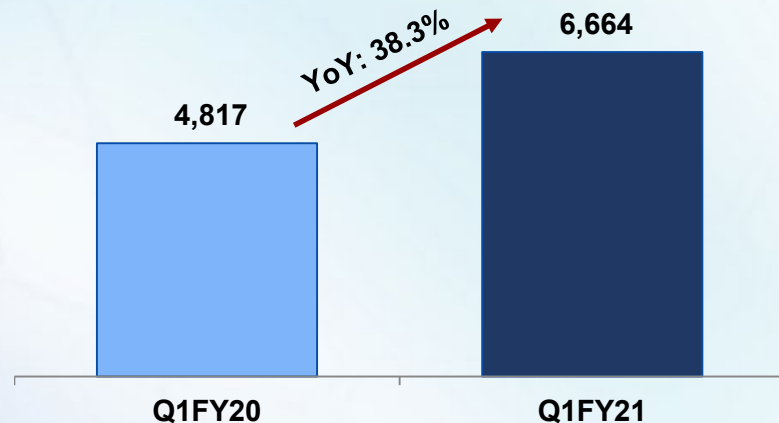
Source: IQVIA data

US Business

US Business: Q1FY21 Sales of ₹ 6,664 million (38.3% growth YoY)

- US sales contributed 34.3% to total sales in Q1FY21
- Growth in US dollar terms was 28.4% YoY
- In Q1FY21, the Company filed 4 ANDAs with the US FDA and received 2 approvals (including 1 tentative approval)
- As on June 30, 2020, the Company has filed a total of 148 ANDAs (including 2 NDA) with the US FDA and has received 90 approvals (including 13 tentative approvals and 2 NDA)

Q1FY21 – US Sales (₹ mn)



EIR for all the six facilities inspected by the US FDA

Facility	Scope	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

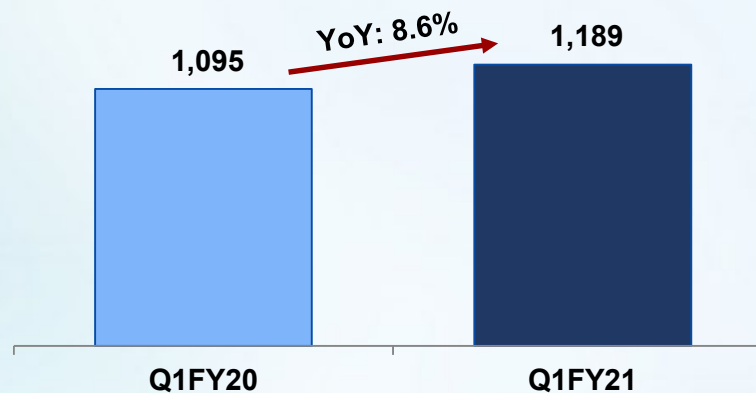
EIR – Establishment Inspection Report indicating successful close of inspection

Other International Business

Other International Business: Q1FY21 Sales of ₹ 1,189 million (8.6% YoY growth)

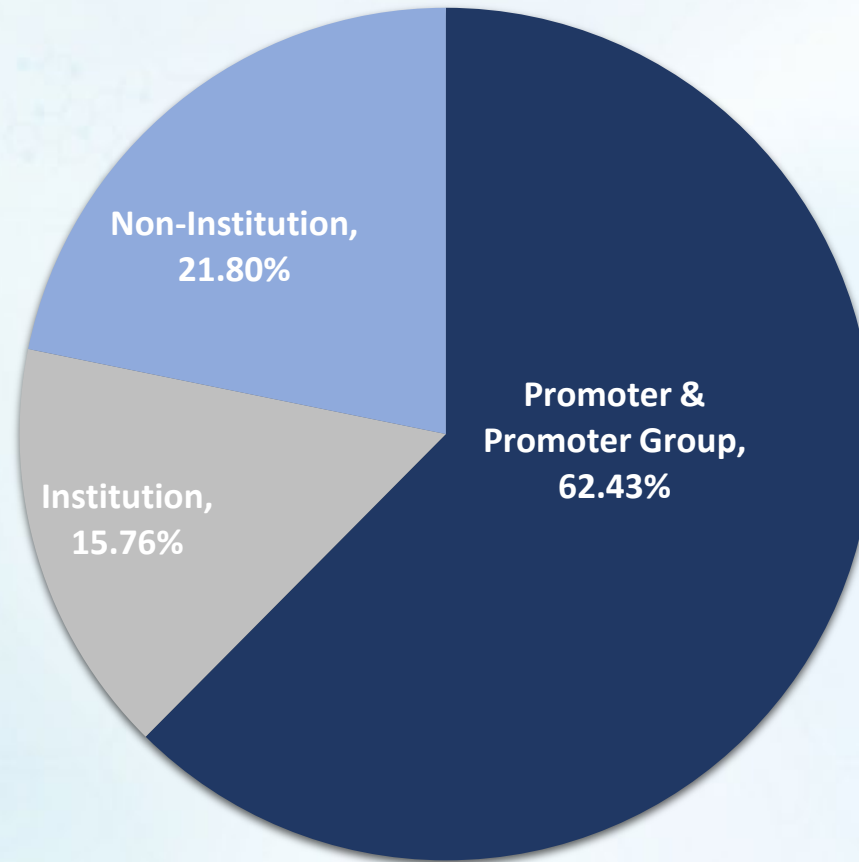
- Other International Market sales contributed 6.1% to total sales in Q1FY21
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Chile and Kazakhstan registered healthy growth during the quarter

**Q1FY21 – Other International Sales
(₹ mn)**



Latest Shareholding Pattern

Shareholding pattern as on June 30, 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

For further information or queries please contact

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