

**ALKEM LABORATORIES LTD.**

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

09th August, 2024

To,

The Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. <i>Scrip Code: 539523</i>	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400 051. <i>Scrip Symbol: ALKEM</i>
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Sub: Press Release and Analyst Presentation on Q1FY25 Results

Dear Sir(s)/ Madam,

With reference to relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the press release and analyst presentation on Q1FY25 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take a note of the same.

Sincerely,
For **Alkem Laboratories Limited**

Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

Press Release

Alkem reports Q1FY25 results

Mumbai, 09 August 2024: Alkem Laboratories Ltd. today announced its standalone and consolidated financial results for the first quarter that ended June 30, 2024. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

Key highlights of Q1FY25 financial performance

- Total Revenue from Operations was ₹ 30,318 million, with YoY growth of 2.2%.
 - India sales were ₹ 20,223 million, with YoY growth of 6.4%.
 - International sales were ₹ 9,677 million, with YoY de-growth of 4.6%.
- Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA) were ₹ 6,086 million, resulting in an EBITDA margin of 20.1% vs. 13.1% in Q1FY24. EBITDA increased by 56.4% YoY.
- R&D expenses for the quarter were ₹ 1,257 million, or 4.1% of total revenue from operations, compared to ₹ 1,202 million in Q1FY24 at 4.1% of total revenue from operations.
- Profit before tax (PBT) before exceptional items was ₹ 6,194 million, a growth of 75.5% compared to ₹ 3,529 million in Q1FY24.
- Net Profit (after Minority Interest) was ₹ 5,452 million, with YoY growth of 90.1%.
- According to IQVIA (SSA—Stockist Sales Audit) data, for Q1FY25, the company registered a growth of 8.4% YoY compared to the Indian Pharmaceutical Market (IPM), which grew by 8.7%.

Commenting on the Q1FY25 results, Dr Vikas Gupta, CEO of Alkem, said, “We are happy that our efforts to improve profitability have started paying off, and we have seen a marked increase in margins during the quarter. We are committed to maximising our EBITDA margin by carefully managing our product mix, controlling costs, and taking advantage of the favourable raw material pricing environment. The domestic business is our stronghold, and we expect to build on it by furthering the growth of our large brands and bridging portfolio gaps. Simultaneously, we are also focusing on growing our business in emerging markets. During the quarter, an important development was the successful resolution of US FDA’s Form 483 at the Baddi facility. At Alkem, we remain steadfast to prioritising quality and regulatory compliance.”

Operational Highlights

Domestic Business - In Q1FY25, the Company's India sales increased by 6.4% YoY, recording sales of ₹ 20,223 million compared to ₹ 19,007 million in Q1FY24.

- According to IQVIA (SSA) data, for Q1FY25, the Company delivered a YoY growth of 8.4% compared to the Indian Pharmaceutical Market (IPM) growth of 8.7% YoY.
- We outperformed the IPM in antidiabetic, Neuro/CNS, gastro-intestinal, dermatology, and VMN therapies, and our ranking has improved in Neuro/CNS and Respiratory therapies.
- During the quarter, we launched three new products in the domestic market.
- Uprise D3 is now featured in the Top 100 brands of IPM. In less than four years, Uprise D3 moved from the Top 300 to the top 100 Brands of IPM.

Key performance highlights of therapeutic segments in Q1FY25

Key Therapy segment	Q1FY25			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
ANTI-DIABETIC	15	Unchanged	9.5%	8.3%
ANTI-INFECTIVES	1	Unchanged	3.3%	6.8%
CARDIAC	26	Unchanged	3.3%	13.3%
DERMA	20	Unchanged	13.8%	9.8%
GASTROINTESTINAL	3	Unchanged	14.3%	11.3%
NEURO / CNS	7	Improved by 1	14.7%	8.8%
PAIN / ANALGESICS	3	Unchanged	5.9%	8.2%
RESPIRATORY	15	Improved by 1	-0.4%	1.9%
VITAMINS/MINERALS/NUTRIENTS	2	Unchanged	12.6%	8.1%
TOTAL	5	Unchanged	8.4%	8.7%

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

Source: IQVIA SSA Data

International Business - In Q1FY25, the Company's International sales declined by 4.6% YoY, recording sales of ₹ 9,677 million compared to ₹ 10,146 million in Q1FY24.

- US sales for Q1FY25 stood at ₹ 6,416 million, witnessing a decline of 7.7% YoY and a growth of 2.8% on a QoQ basis.
- Other International Markets sales for the quarter were ₹ 3,261 million, recording a YoY growth of 2.2% and 14.2% on a QoQ basis.

Update on USFDA product approvals

- During the quarter, the company launched 1 product in the US and received approval for 3 ANDAs from the USFDA, including one tentative approval.
- As of June 30, 2024, the Company had filed 176 ANDAs and 2 NDAs with the USFDA. Of these, it had received approvals for 148 ANDAs (including 14 tentative approvals) and 2 NDAs.

Update on USFDA Inspections

Facility	Capability	Inspection Date	Regulatory Status
Baddi (India)	Formulations	Mar-24	EIR Received in June 2024
Daman (India)	Formulations	Aug-19	EIR Received in Oct 2019
Taloja R&D (India)	Bioequivalence Centre	Oct-22	No observation
Ankleshwar (India)	API	Apr-23	EIR Received in July 2023
Mandva (India)	API	Dec-23	EIR Received in Mar 2024
California (USA)	API	Aug-18	EIR Received in Oct 2018

Note: USFDA conducted a virtual inspection at our manufacturing facilities in Daman from October 5th to 7th, 2020.

EIR – Establishment Inspection Report indicating successful closure of inspection.

Q1FY25 Conference Call at 5 pm IST, August 09, 2024

Alkem will organise a conference call for investors and analysts on Friday, August 09, 2024, from 5:00 pm to 6:00 pm IST to discuss its Q1FY25 financial results.

Alkem Laboratories Ltd. will be represented on the call by:

Dr. Vikas Gupta – CEO

Mr Nitin Agrawal – CFO

Motilal Oswal Securities Ltd. will host the call.

Details of the conference call are as follows:

Time: 5:00 pm IST (GMT + 5:30) on Friday, August 09, 2024

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=2953260&linkSecurityString=1310ba8d94>

You are requested to dial in 10 minutes ahead of the scheduled start time.

About Alkem:

Alkem Laboratories Ltd. is a leading Indian pharmaceutical company with a legacy of 50 years in providing high-quality medicines to patients. It is the fifth largest pharmaceutical company in the Indian market, with a dominant position in the therapy areas of anti-infectives, gastrointestinal, pain management drugs and supplements. It also has a growing portfolio of products in chronic therapies such as diabetes, neurology, cardiology, dermatology and urology. It has 19 state-of-the-art manufacturing facilities and cutting-edge research and development (R&D) centers across India and the US to develop and manufacture generic formulations, active pharmaceutical ingredients (APIs) and biosimilars. Apart from India, the company has a meaningful presence in the US, Latin America, Australia, and several other Asian countries. “Inspiring Healthier Lives” is at the core of the values and culture of the organisation and reinforces its steadfast commitment to global health improvement. For more information, please visit www.alkemlabs.com and follow us on [LinkedIn](#), [X](#), [Facebook](#), and [Instagram](#).

Contact

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Alkem Laboratories Ltd.

Investor Presentation Q1FY25
August 09, 2024



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 our key global markets.

Should one or more of such risks and uncertainties materialise, 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 the Law requires it.

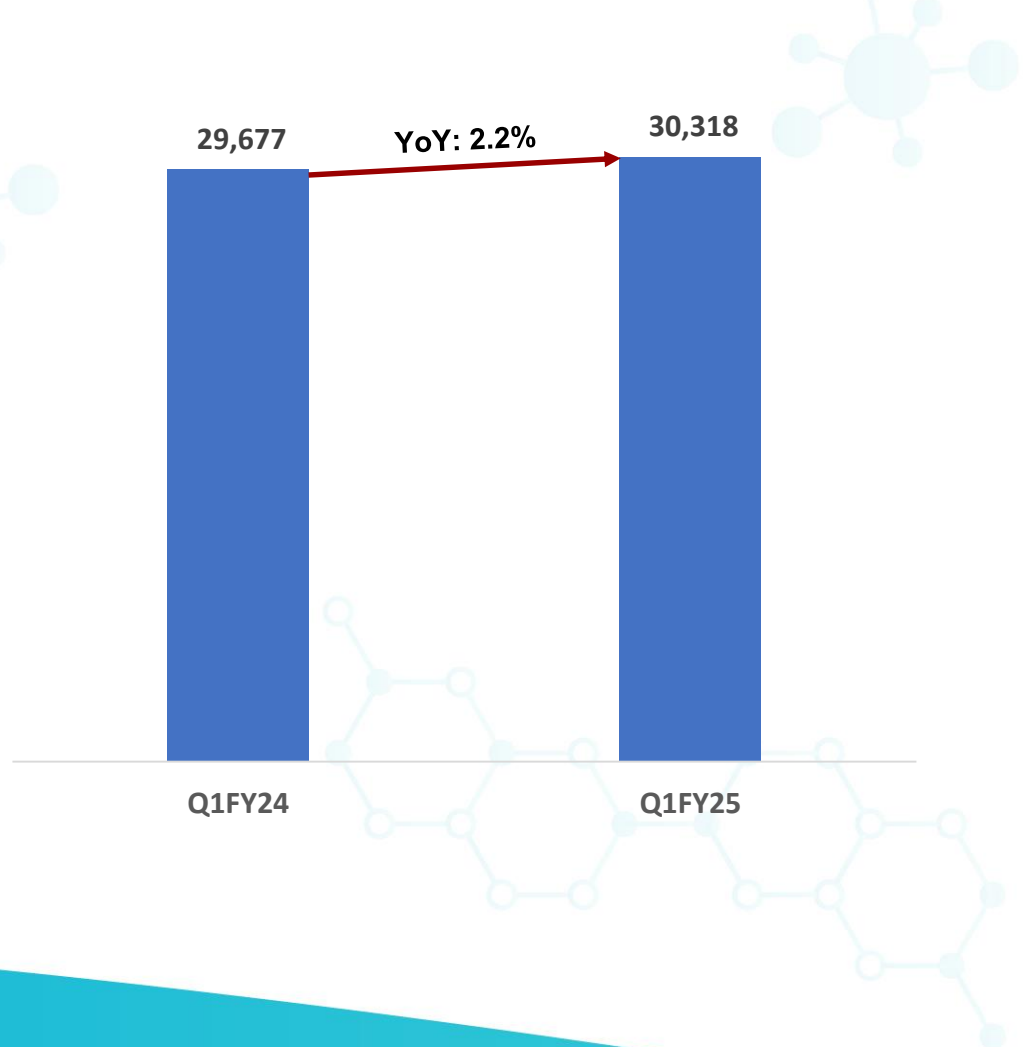
Key Highlights of Q1FY25

- Total Revenue from Operations was ₹ 30,318 million, with YoY growth of 2.2%.
 - India sales were ₹ 20,223 million, YoY growth of 6.4%. The contribution of domestic sales to total sales in Q1FY25 was 67.6% vs. 65.2% in Q1FY24.
 - International sales were ₹ 9,677 million, with YoY de-growth of 4.6%.
- Earnings before Interest, Tax, Depreciation, and Amortization (EBITDA) were ₹ 6,086 million, resulting in an EBITDA margin of 20.1% vs. 13.1% in Q1FY24. EBITDA increased by 56.4% YoY.
- R&D expenses for the quarter were ₹ 1,257 million, or 4.1% of total revenue from operations, compared to ₹ 1,202 million in Q1FY24 at 4.1% of total revenue from operations.
- Profit before tax (PBT) before exceptional item was ₹ 6,194 million, a growth of 75.5% compared to ₹ 3,529 million in Q1FY24.
- Net Profit (after Minority Interest) was ₹ 5,452 million, YoY growth of 90.1%.
- As per IQVIA (SSA) data, for Q1FY25, the company registered a growth of 8.4% YoY vs. the Indian Pharmaceutical Market (IPM), which grew by 8.7%
- We outperformed the IPM in anti-diabetic, gastrointestinal, neuro/CNS, dermatology, and VMN therapies.
- During the quarter, the Company launched one product in the US and received three approvals from the USFDA, including one tentative approval.
- **Healthy balance sheet** with net cash of ₹38.45 billion as of June 30, 2024.

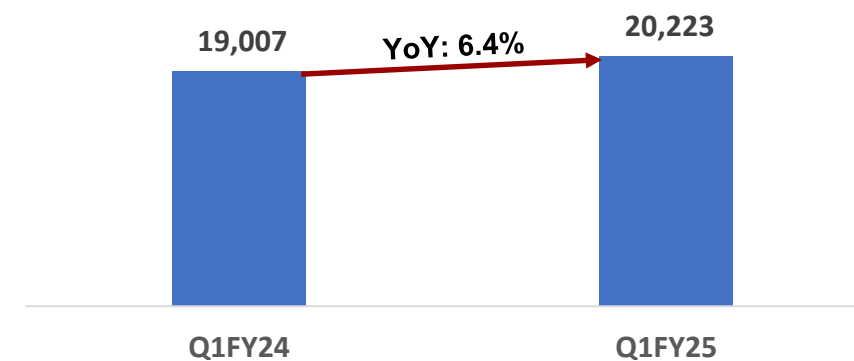
Key Financial Highlights – Q1FY25 (Consolidated)

All figures in ₹ Mn

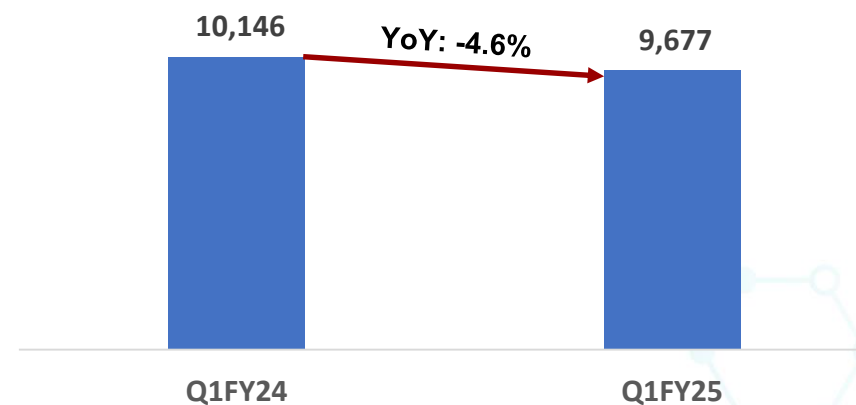
Revenue from Operations



India sales



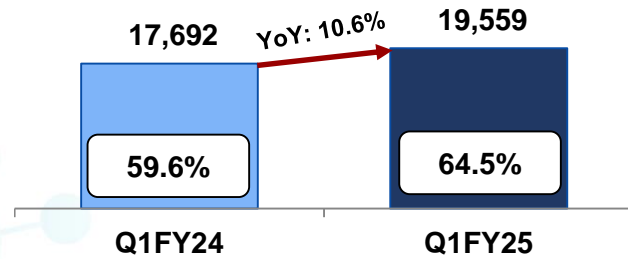
International sales



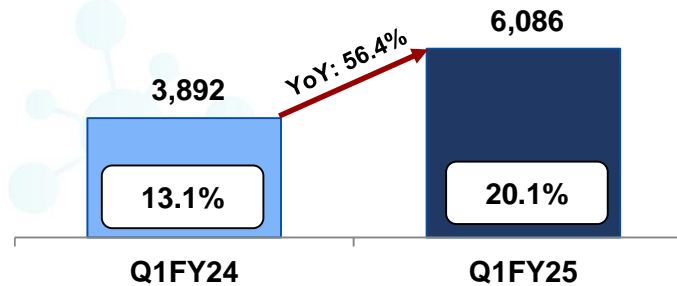
Key Financial Highlights – Q1FY25 (Consolidated)

All figures in ₹ Mn

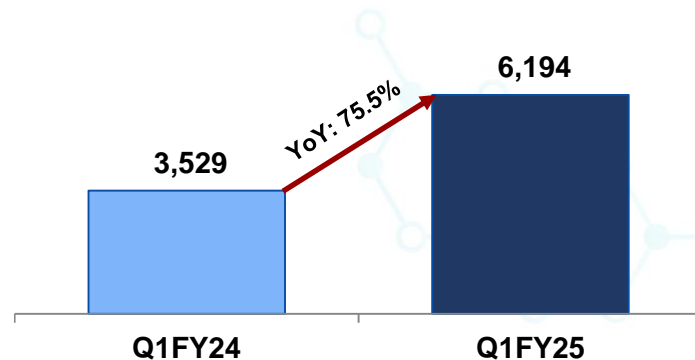
Gross Profit and Gross Margin



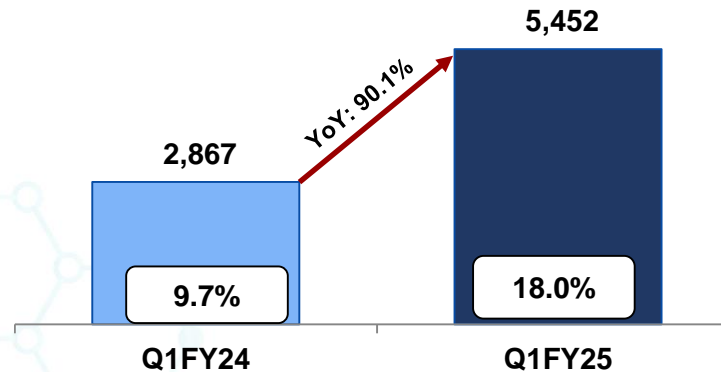
EBITDA and EBITDA Margin



PBT (after exceptional item)



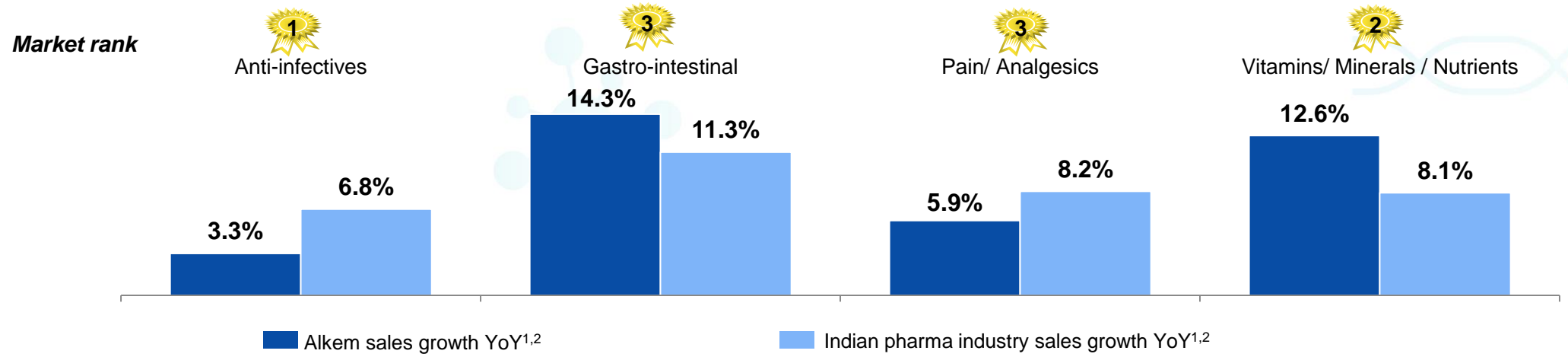
PAT (after Minority Interest)



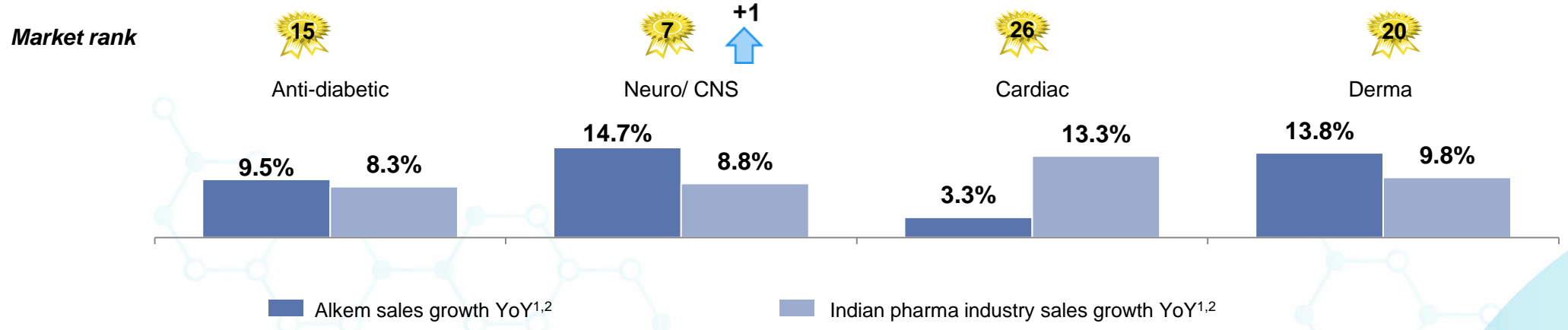
India - Secondary Sales Performance

Mixed performance across all major therapeutic segments in Q1FY25

Acute Therapies



Chronic Therapies

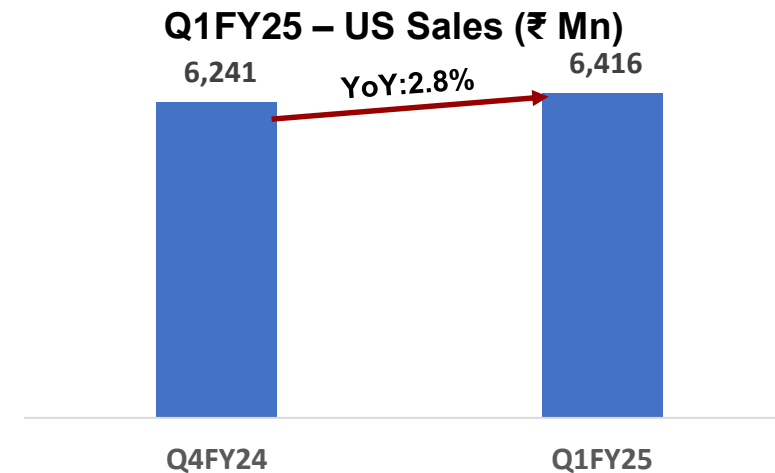
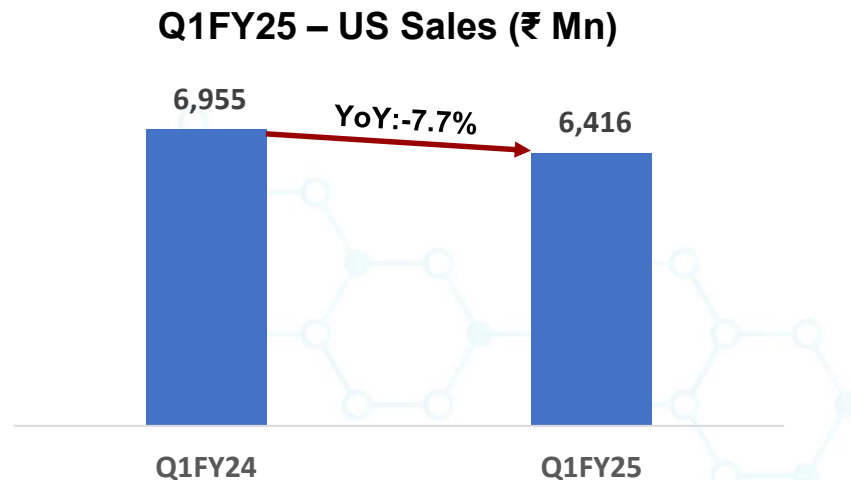


Source: IQVIA SSA data ¹ Domestic formulations sales; ² For three months ended June 30, 2024.

US Business Update

Q1FY25 Sales of ₹ 6,416 million (7.7% YoY de-growth)

- Overall contribution of US sales to total sales was 21.5% in Q1FY25.
- During Q1FY25, the company launched 1 product in the US and received approval for 3 ANDAs from the USFDA, including one tentative approval.
- As of June 30, 2024, the Company had filed 176 ANDAs and two new drug applications (NDAs) with the USFDA. Of these, it had received approvals for 148 ANDAs (including 14 tentative approvals) and 2 NDAs.



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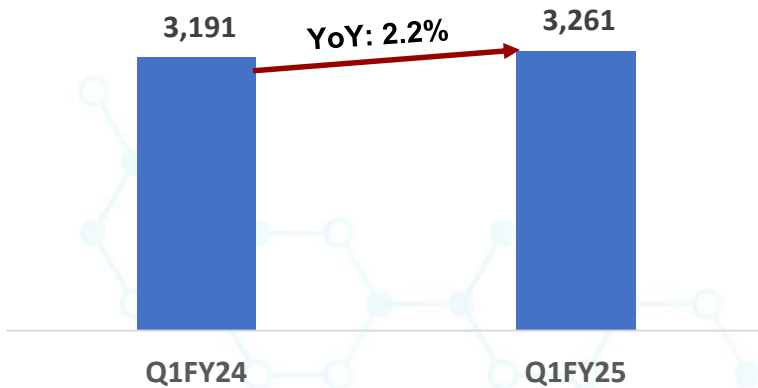
EIR – Establishment Inspection Report indicating successful closure of inspection

Other International Business Update

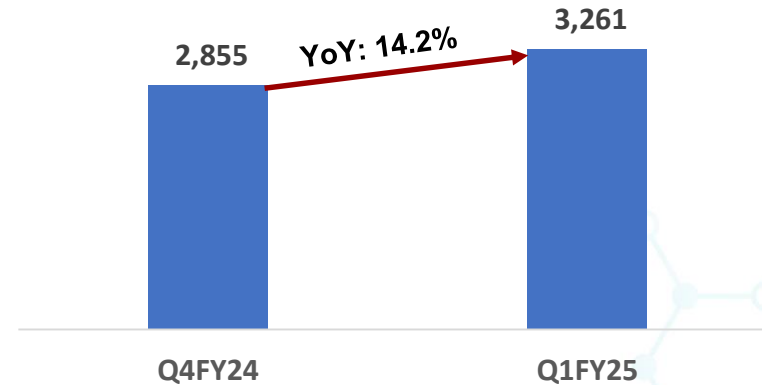
Q1FY25 Sales of ₹ 3,261 million (2.2% YoY growth)

- Other International Market sales contributed 10.9% to total sales in Q1FY25.
- The Company has a presence mainly in Latin America, Australia and Europe.

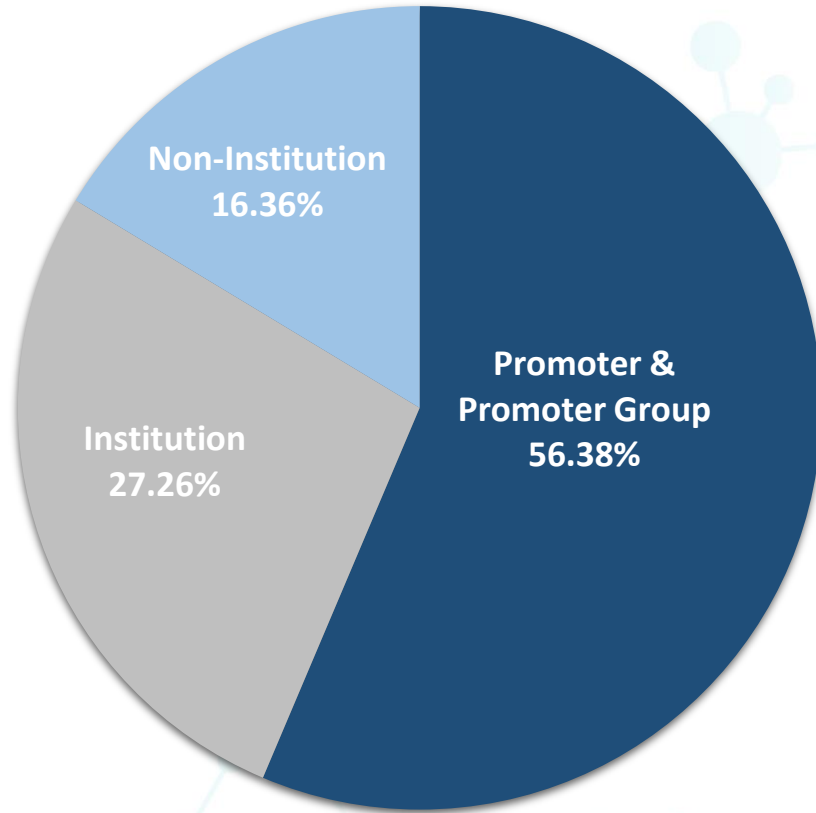
Q1FY25 – Other International Sales (₹ Mn)



Q1FY25 – Other International Sales (₹ Mn)



Shareholding Pattern as on June 30, 2024



BSE Ticker	539523
NSE Symbol	ALKEM
Shares Outstanding (Mn)	120
MCap (Rs in Mn)*	596,791
Free Float Mcap (Rs in Mn)	260,320
Industry	Pharmaceuticals

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

*Share Price - Rs 4,991 from NSE as of 28th June, 2024

Key Financial Highlights – Q1FY25 (Consolidated)

All figures in ₹ Mn

Particulars	Q1FY25	Q1FY24	YoY growth	Q4FY24	QoQ growth
Revenue from Operations	30,318	29,677	2.2%	29,358	3.3%
Gross Profit	19,559	17,692	10.6%	18,284	7.0%
Gross Profit Margin	64.5%	59.6%		62.3%	
EBITDA	6,086	3,892	56.4%	4,020	51.4%
EBITDA Margin	20.1%	13.1%		13.7%	
PBT (before exceptional item)	6,194	3,529	75.5%	3,799	63.0%
Exceptional item	-	-		-125	
PBT (after exceptional item)	6,194	3,529	75.5%	3,673	68.6%
PBT Margin	20.4%	11.9%		12.5%	
PAT (after Minority interest)	5,452	2,867	90.1%	2,936	85.7%
PAT Margin	18.0%	9.7%		10.0%	
EPS (₹ / share)	45.60	23.98	90.1%	24.56	85.7%



Thank You

For any queries, contact:

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