

**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

04<sup>th</sup> February, 2022

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

**Sub: Outcome of Board Meeting held on 04<sup>th</sup> February, 2022**

In continuation of our letter dated 24<sup>th</sup> January, 2022 and pursuant to Regulation 30 read with Regulation 33 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of Directors of the Company, at its meeting held today, i.e. 04<sup>th</sup> February, 2022 have inter alia:

- a. Approved the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31<sup>st</sup> December, 2021.

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

- b. Declared Interim Dividend of Rs 30/- (Rupees Thirty only) per equity share on the face value of Rs. 2/- per share for the financial year 2021-22 pursuant to Regulation 43 read with Regulation 30 of the Listing Regulations.

The date of payment of Interim Dividend shall be on and from 24<sup>th</sup> February, 2022.

Further, as informed vide our letter dated 24<sup>th</sup> January, 2022 submitted to the Stock Exchanges pursuant to Regulation 42 of the Listing Regulations, the record date for the purpose of payment of Interim Dividend for the financial year 2021-22 would be Saturday, 12<sup>th</sup> February, 2022.

The meeting of the Board of Directors of the Company commenced at 10.30 a.m. and concluded at 01.00 p.m.

Kindly take the same on record.

Sincerely,  
For Alkem Laboratories Limited

  
Manish Narang  
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a

# B S R & Co. LLP

Chartered Accountants

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

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## Limited Review Report on unaudited consolidated financial results of Alkem Laboratories Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### 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 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (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 Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial results of 6 subsidiaries included in the Statement, whose interim financial results reflect total revenues (before consolidation adjustments) of Rs. 3,793 million and Rs. 11,848 million, total net profit after tax (before consolidation adjustments) of Rs. 271 million and Rs. 973 million and total comprehensive income (before consolidation adjustments) of Rs. 265 million and Rs. 901 million for the quarter ended 31 December 2021 and for the period from 01 April 2021 to 31 December 2021 respectively, as considered in the unaudited consolidated financial results. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's 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.

Registered Office:

## B S R & Co. LLP

Our conclusion is not modified in respect of this matter.

7. Some of these subsidiaries located outside India whose interim financial information 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 Parent'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 Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

8. The Statement includes the interim financial information of 13 subsidiaries which have not been reviewed, whose interim financial information reflects total revenues (before consolidation adjustments) of Rs. 365 million and Rs. 1,167 million, total net loss after tax (before consolidation adjustments) of Rs. 14 million and Rs. 34 million and total comprehensive loss (before consolidation adjustments) of Rs. 15 million and Rs. 46 million for the quarter ended 31 December 2021 and for the period from 01 April 2021 to 31 December 2021 respectively, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No.:101248W/W-100022

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RAO POTHANA

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**Balajirao Pothana**  
*Partner*

Membership No.: 122632  
UDIN:22122632AAIMZK3630

Mumbai  
04 February 2022

**Annexure I**

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1.	S & B Holdings B.V., Netherlands (S&B Holdings)	Wholly Owned Subsidiary
2.	ThePharmaNetwork, LLC, USA (TPN)	Wholly Owned Subsidiary
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 of TPN (upto 05 January 2022)
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
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.	Ascend Laboratories S.A. DE C.V., Mexico	Wholly Owned Subsidiary of Ascend Chile
17.	Alkem Laboratories Korea Inc, Korea	Wholly Owned Subsidiary
18.	Pharmacor Ltd., Kenya	Wholly Owned Subsidiary
19.	The Pharma Network, LLP, Kazakhstan	Wholly Owned Subsidiary
20.	Ascend Laboratories (UK) Ltd., UK	Wholly Owned Subsidiary
21.	Ascend Laboratories Ltd., Canada	Wholly Owned Subsidiary

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22.	Alkem Foundation, India	Wholly Owned Subsidiary
23	Connect 2 Clinic Private Limited (w.e.f. 12 June 2020), India	Wholly Owned Subsidiary
24.	Ascend Laboratories S.A.S, Colombia	Wholly Owned Subsidiary

# ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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

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

## Unaudited Statement of Consolidated Financial Results for the Quarter and Nine months ended 31 December 2021

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
<b>1 Income</b>						
(a) Revenue from Operations	26,189.8	27,999.9	23,180.5	81,503.3	66,728.5	88,650.1
(b) Other Income	535.2	419.6	964.0	1,421.3	1,869.3	2,332.1
<b>Total Income</b>	<b>26,725.0</b>	<b>28,419.5</b>	<b>24,144.5</b>	<b>82,924.6</b>	<b>68,597.8</b>	<b>90,982.2</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	7,809.1	7,731.6	7,188.1	23,248.9	17,311.7	23,945.4
(b) Purchases of stock-in-trade	3,788.8	4,560.9	3,772.6	11,877.1	10,921.6	14,377.6
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,631.1)	(1,717.8)	(2,083.9)	(3,636.6)	(2,678.5)	(3,338.4)
(d) Employee benefits expense	4,709.0	4,944.9	4,097.5	14,972.2	12,119.9	16,210.3
(e) Finance costs	105.7	119.7	130.7	354.0	482.1	589.2
(f) Depreciation and amortisation expense	774.6	728.3	690.0	2,208.2	2,060.7	2,745.8
(g) Other expenses	6,529.5	6,236.5	4,915.1	17,884.8	12,540.9	18,031.3
<b>Total Expenses</b>	<b>22,085.6</b>	<b>22,604.1</b>	<b>18,710.1</b>	<b>66,908.6</b>	<b>52,758.4</b>	<b>72,561.2</b>
<b>3 Profit before exceptional items and tax (1) - (2)</b>	<b>4,639.4</b>	<b>5,815.4</b>	<b>5,434.4</b>	<b>16,016.0</b>	<b>15,839.4</b>	<b>18,421.0</b>
<b>4 Exceptional items</b>	-	-	-	-	-	-
<b>5 Profit before tax (3) + (4)</b>	<b>4,639.4</b>	<b>5,815.4</b>	<b>5,434.4</b>	<b>16,016.0</b>	<b>15,839.4</b>	<b>18,421.0</b>
<b>6 Tax expense / (credit)</b>						
(a) Current tax	921.8	1,082.6	1,011.7	3,186.3	3,154.2	3,965.3
(b) Deferred tax (Refer Note 2)	(1,615.9)	(852.5)	(215.8)	(2,891.4)	(1,000.3)	(1,722.0)
<b>Total Tax Expense (a + b)</b>	<b>(694.1)</b>	<b>230.1</b>	<b>795.9</b>	<b>294.9</b>	<b>2,153.9</b>	<b>2,243.3</b>
<b>7 Profit for the period (5) - (6)</b>	<b>5,333.5</b>	<b>5,585.3</b>	<b>4,638.5</b>	<b>15,721.1</b>	<b>13,685.5</b>	<b>16,177.7</b>
<b>8 Other Comprehensive Income (net of tax)</b>						
(a) (i) Items that will not be reclassified to profit or loss	(14.6)	(36.8)	(26.4)	(72.9)	(32.1)	(89.2)
(ii) Income tax relating to items that will not be reclassified to profit or loss	4.5	13.1	7.5	26.5	9.6	29.9
(b) (i) Items that will be reclassified to profit or loss	52.7	58.7	(103.2)	126.9	(321.8)	(283.7)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
<b>Total other Comprehensive Income (net of tax)</b>	<b>42.6</b>	<b>35.0</b>	<b>(122.1)</b>	<b>80.5</b>	<b>(344.3)</b>	<b>(343.0)</b>
<b>9 Total Comprehensive Income for the period (7) + (8)</b>	<b>5,376.1</b>	<b>5,620.3</b>	<b>4,516.4</b>	<b>15,801.6</b>	<b>13,341.2</b>	<b>15,834.7</b>
<b>10 Profit attributable to</b>						
a) Owners of the Company	5,256.6	5,442.6	4,509.6	15,380.4	13,450.3	15,850.2
b) Non-Controlling Interest	76.9	142.7	128.9	340.7	235.2	327.5
<b>11 Other Comprehensive Income attributable to</b>						
a) Owners of the Company	41.7	41.9	(115.3)	87.5	(338.1)	(339.6)
b) Non-Controlling Interest	0.9	(6.9)	(6.8)	(7.0)	(6.2)	(3.4)
<b>12 Total Comprehensive Income attributable to</b>						
a) Owners of the Company	5,298.3	5,484.5	4,394.3	15,467.9	13,112.2	15,510.6
b) Non-Controlling Interest	77.8	135.8	122.1	333.7	229.0	324.1
<b>13 Paid-up Equity Share Capital</b> (Face Value ₹ 2 each fully paid up)	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>
<b>14 Other Equity</b>						73,528.2
<b>15 Earnings Per Share (not annualised for the periods)</b>						
(a) Basic (₹)	43.96	45.52	37.72	128.64	112.49	132.57
(b) Diluted (₹)	43.96	45.52	37.72	128.64	112.49	132.57

**Notes to the Consolidated Financial results:**

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 3 February 2022 and subsequently approved by the Board of Directors at its meeting held on 4 February 2022. The auditors have issued an unmodified report on the financial results for the quarter and nine months ended 31 December 2021.
- 2 Pursuant to the Board of Directors approval at its meeting held on 25 May 2021 on the proposed plan for restructuring of the USA business operations by bringing both the subsidiaries namely, S & B Pharma Inc, USA ("S & B") and The PharmaNetwork LLC, USA ("TPNC") under a single umbrella by removing intermediary holding company S & B Holdings BV, Netherlands ("S & B BV"), the Company on 4 October 2021 has consummated the transaction whereby TPNC acquired 100% shares of S&B from the Company in exchange of TPNC's shares. Subsequently, with effect from 5 January 2022, S & B now stands dissolved and all its assets and liabilities are now transferred by TPNC as capital contribution in its subsidiary S & B Pharma LLC. Consequently, TPNC has recognised deferred tax asset on carry forward losses of erstwhile S & B amounting to Rs.1,086.0 million.
- 3 The Board of Directors at its meeting held on 4 February 2022 have declared an interim dividend of ₹ 30 (Rupees Thirty only) per equity share (1500% on the face value of ₹ 2 each) for the financial year ending 2021-22.
- 4 The Group 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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Singh

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**B.N. Singh**  
**Executive Chairman**  
DIN: 00760310

Place: Mumbai  
Date: 4 February 2022

# B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,  
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## Limited Review Report on unaudited standalone financial results of Alkem Laboratories Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### 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 31 December 2021 and year-to-date results for the period from 01 April 2021 to 31 December 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (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:22122632AAIMPQ8594

Mumbai  
04 February 2022

Registered Office:



# ALKEM LABORATORIES LIMITED

CIN No.:L00305MH1973PLC174201

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

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

## Unaudited Statement of Standalone Financial Results for the Quarter and Nine months ended 31 December 2021

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2021 Unaudited	30.09.2021 Unaudited	31.12.2020 Unaudited	31.12.2021 Unaudited	31.12.2020 Unaudited	31.03.2021 Audited
<b>1 Income</b>						
(a) Revenue from Operations	21,808.4	23,639.9	17,787.5	68,235.0	53,022.1	72,196.8
(b) Other Income	632.4	432.1	724.6	1,456.6	1,412.4	1,900.1
<b>Total Income</b>	<b>22,440.8</b>	<b>24,072.0</b>	<b>18,512.1</b>	<b>69,691.6</b>	<b>54,434.5</b>	<b>74,096.9</b>
<b>2 Expenses</b>						
(a) Cost of materials consumed	7,331.9	6,967.5	6,119.9	20,837.5	14,699.3	20,465.2
(b) Purchases of stock-in-trade	2,694.6	2,987.2	2,448.4	8,311.5	7,124.0	9,197.9
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,748.2)	(670.5)	(2,073.6)	(2,460.3)	(2,812.1)	(3,012.9)
(d) Employee benefits expense	3,400.8	3,615.0	2,882.0	11,038.1	8,677.6	11,587.2
(e) Finance costs	72.6	85.0	87.7	248.2	355.7	429.3
(f) Depreciation and amortisation expense	584.3	538.2	500.8	1,639.7	1,495.5	1,989.3
(g) Other expenses	5,406.7	4,862.3	3,979.1	14,401.5	10,008.1	14,470.1
<b>Total Expenses</b>	<b>17,742.7</b>	<b>18,384.7</b>	<b>13,944.3</b>	<b>54,016.2</b>	<b>39,548.1</b>	<b>55,126.1</b>
<b>3 Profit before exceptional items and tax (1) - (2)</b>	<b>4,698.1</b>	<b>5,687.3</b>	<b>4,567.8</b>	<b>15,675.4</b>	<b>14,886.4</b>	<b>18,970.8</b>
<b>4 Exceptional items (Refer Note 3)</b>	-	-	-	-	-	(127.8)
<b>5 Profit before tax (3) + (4)</b>	<b>4,698.1</b>	<b>5,687.3</b>	<b>4,567.8</b>	<b>15,675.4</b>	<b>14,886.4</b>	<b>18,843.0</b>
<b>6 Tax expense / (credit)</b>						
(a) Current tax	808.3	989.6	800.7	2,714.1	2,608.9	3,318.3
(b) Deferred tax	(481.1)	(882.4)	(242.7)	(1,682.4)	(945.9)	(1,326.1)
<b>Total Tax Expense (a + b)</b>	<b>327.2</b>	<b>107.2</b>	<b>558.0</b>	<b>1,031.7</b>	<b>1,663.0</b>	<b>1,992.2</b>
<b>7 Profit for the period after tax (5 - 6)</b>	<b>4,370.9</b>	<b>5,580.1</b>	<b>4,009.8</b>	<b>14,643.7</b>	<b>13,223.4</b>	<b>16,850.8</b>
<b>8 Other Comprehensive Income (net of tax)</b>						
(a) (i) Items that will not be reclassified to profit or loss	(16.0)	(15.9)	(3.6)	(47.9)	(11.0)	(76.7)
(ii) Income tax relating to items that will not be reclassified to profit or loss	5.5	5.6	1.3	16.7	3.9	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	-	-	-	-	-	-
<b>Total Other Comprehensive Income (net of tax)</b>	<b>(10.5)</b>	<b>(10.3)</b>	<b>(2.3)</b>	<b>(31.2)</b>	<b>(7.1)</b>	<b>(49.9)</b>
<b>9 Total Comprehensive Income for the period (7) + (8)</b>	<b>4,360.4</b>	<b>5,569.8</b>	<b>4,007.5</b>	<b>14,612.5</b>	<b>13,216.3</b>	<b>16,800.9</b>
<b>10 Paid-up Equity Share Capital</b> (Face Value ₹ 2 each fully paid up)	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>	<b>239.1</b>
<b>11 Other Equity</b>						76,018.4
<b>12 Earnings Per Share (not annualised for the periods)</b>						
(a) Basic (₹)	<b>36.56</b>	46.67	33.54	<b>122.47</b>	110.60	140.93
(b) Diluted (₹)	<b>36.56</b>	46.67	33.54	<b>122.47</b>	110.60	140.93

**Notes to the Standalone Financial results:**

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 3 February 2022 and subsequently approved by the Board of Directors at its meeting held on 4 February 2022. The auditors have issued an unmodified report on the financial results for the quarter and nine months ended 31 December 2021.
- 2 Pursuant to the Board of Directors approval at its meeting held on 25 May 2021 on the proposed plan for restructuring of the USA business operations by bringing both the subsidiaries namely, S & B Pharma Inc, USA ("S & B") and The PharmaNetwork LLC, USA ("TPNC") under a single umbrella by removing intermediary holding company S & B Holdings BV, Netherlands ("S & B BV"), the Company on 4 October 2021 has consummated the transaction whereby TPNC acquired 100% shares of S&B from the Company in exchange of TPNC's shares. Subsequently, with effect from 5 January 2022, S & B now stands dissolved and all its assets and liabilities are now transferred by TPNC as capital contribution in its subsidiary S & B Pharma LLC.
- 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 year ended 31 March 2021, an impairment loss of Rs.127.8 Million was 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 Board of Directors at its meeting held on 4 February 2022 have declared an interim dividend of ₹ 30 (Rupees Thirty only) per equity share (1500% on the face value of ₹ 2 each) for the financial year ending 2021-22.
- 5 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**

Basudeo  
Narayan  
Singh

Digitally signed by  
Basudeo Narayan Singh  
Date: 2022.02.04  
12:11:54 +05'30'

**B.N. Singh**  
**Executive Chairman**  
DIN: 00760310

Place: Mumbai  
Date: 4 February 2022



## 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](mailto:contact@alkem.com) • Website: [www.alkemlabs.com](http://www.alkemlabs.com)
- CIN: L00305MH1973PLC174201

### Press Release

#### Alkem reports Q3FY22 and 9MFY22 results

**Mumbai, February 4, 2022:** Alkem Laboratories Ltd. (Alkem) today announced its standalone and consolidated financial results for the third quarter and nine months ended December 31, 2021. These results were taken on record by the Board of Directors at its meeting held in Mumbai today.

#### Key highlights of Q3FY22 financial performance

- Total Revenue from Operations was ₹ 26,190 million, year-on-year growth of 13.0%
  - India sales were ₹ 18,156 million, year-on-year growth of 19.9%
  - International sales were ₹ 7,709 million, year-on-year decline of 0.4%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 4,985 million, resulting in EBITDA margin of 19.0% vs. 22.8% in Q3FY21. EBITDA declined by 5.8% YoY
- R&D expenses for the quarter was ₹ 1,449 million, or 5.5% of total revenue from operations compared to ₹ 1,335 million in Q3FY21 at 5.8% of total revenue from operations
- Profit before tax (PBT) was ₹ 4,639 million, a decline of 14.6% compared to Q3FY21
- Net Profit (after Minority Interest) was ₹ 5,257 million, year-on-year growth of 16.6%

#### Key highlights of 9MFY22 financial performance

- Total Revenue from Operations was ₹ 81,503 million, year-on-year growth of 22.1%
  - India sales were ₹ 56,858 million, year-on-year growth of 34.5%
  - International sales were ₹ 23,664 million, year-on-year growth of 1.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was ₹ 17,157 million, resulting in EBITDA margin of 21.1% vs. 24.7% in 9MFY21. EBITDA grew by 3.9% YoY
- R&D expenses for 9MFY22 was ₹ 4,039 million, or 5.0% of total revenue from operations compared to ₹ 3,914 million in 9MFY21 at 5.9% of total revenue from operations
- Profit before tax (PBT) was ₹ 16,016 million, a growth of 1.1% compared to 9MFY21
- Net Profit (after Minority Interest) was ₹ 15,380 million, year-on-year growth of 14.3%

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, *“Our India branded business delivered yet another quarter of market beating performance led by our acute portfolio which partly benefited from the COVID-19 tailwinds. Even our trade generic business continued its healthy growth momentum despite the high base of last year. However, our US business continues to face significant pricing pressure, which we are trying to mitigate through new product launches. We have generated healthy free cashflows during year which has further strengthen our balance sheet with net cash position of about ₹ 15bn.”*



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### Operational Highlights

#### Domestic Business

In Q3FY22, the Company's India sales grew by 19.9% YoY, recording sales of ₹ 18,156 million as compared to ₹ 15,140 million in Q3FY21. For 9MFY22, the Company's India sales was ₹ 56,858 million compared to ₹ 42,264 million in 9MFY21 – growth of 34.5% YoY.

As per secondary sales data by IQVIA for the quarter ended December 31, 2021, the Company grew ahead of Indian Pharmaceutical Market (IPM) with growth of 16.0% YoY compared to IPM growth of 10.4% YoY. Even for 9MFY22, the Company outperformed the IPM with growth of 31.7% YoY compared to IPM growth of 21.1% YoY. This outperformance was largely driven by acute therapies like anti-infectives, gastro intestinal, vitamins/minerals/nutrients and pain management which witnessed a good growth during the first nine month of the financial year partly helped by COVID-19 tailwinds. During the financial year, Company's chronic therapies of neuro / CNS, anti-diabetes, cardiac and derma also grew faster than the segment growth rate, thereby gaining market share and improving their market rankings. Company's recent foray in the respiratory segment has also seen encouraging response with higher than market growth rate. Company's trade generic business continued its healthy growth during Q3FY22 and 9MFY22 despite the high base of the last financial year.

The performance highlights of the key therapeutic segments in Q3FY22 and 9MFY22 are as shown in the table below:

Key Therapy segment	Q3FY22				9MFY22			
	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)	Alkem Rank	YoY change in Rank*	YoY growth (Alkem)	YoY growth (IPM)
Anti-infectives	1	Unchanged	15.2%	17.2%	1	Unchanged	40.0%	41.5%
Gastro Intestinal	3	Unchanged	21.2%	12.8%	3	Unchanged	21.3%	20.3%
Pain / Analgesics	3	Unchanged	15.4%	16.3%	3	Unchanged	25.9%	24.4%
VMN**	2	+1	12.1%	5.3%	3	+1	33.8%	19.0%
Neuro / CNS	8	Unchanged	8.5%	10.5%	8	+2	27.7%	12.3%
Derma	17	Unchanged	11.7%	3.9%	18	Unchanged	32.0%	12.1%
Cardiac	27	Unchanged	2.3%	7.8%	27	Unchanged	12.0%	11.5%
Anti-Diabetic	17	+2	27.2%	6.2%	18	+2	29.6%	8.0%
<b>Total</b>	<b>5</b>	<b>Unchanged</b>	<b>16.0%</b>	<b>10.4%</b>	<b>5</b>	<b>Unchanged</b>	<b>31.7%</b>	<b>21.1%</b>

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

\*\*VMN – Vitamins / Minerals / Nutrients

Source: IQVIA Data

#### International Business

In Q3FY22, the Company's International sales declined by 0.4% YoY, recording sales of ₹ 7,709 million as compared to ₹ 7,738 million in Q3FY21. For 9MFY22, the Company's International sales grew by 1.2% to ₹ 23,664 million compared to ₹ 23,381 million in 9MFY21.



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- **US sales** for the quarter was ₹ 5,731 million compared to ₹ 6,156 million in Q3FY21, recording a year-on-year decline of 6.9%. For 9MFY22, US sales was ₹ 17,871 million, compared to ₹ 19,078 million in 9MFY21 - a year-on-year decline of 6.3% YoY.
- **Other International Markets sales** for the quarter was ₹ 1,978 million compared to ₹ 1,582 million in Q3FY21, recording a year-on-year growth of 25.0%. For 9MFY22, Other International Markets sales was ₹ 5,793 million compared to ₹ 4,303 million in 9MFY21 - a year-on-year growth of 34.6% YoY.

### R&D Investments

During the quarter, the Company filed 1 abbreviated new drug applications (ANDAs) with the US FDA and received 6 approvals (including 1 tentative approvals). For 9MFY22, the Company filed 9 ANDAs with the US FDA and received 18 approvals (including 3 tentative approvals).

As on December 31, 2021, the Company has filed a total of 158 ANDAs and 2 new drug applications (NDA) with the US FDA. Of these, it has received approvals for 122 ANDAs (including 15 tentative approvals) and 2 NDAs.

### Update on US FDA Inspections

Facility	Capability	Last inspection	Status post last inspection
Taloja (India)	Bioequivalence Centre	July 2021	Successfully closed inspection without any observations
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 inspection 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



## **ALKEM LABORATORIES LTD.**

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### **Q3FY22 and 9MFY22 Conference Call at 8:00pm IST, February 4, 2022**

Alkem will organize a conference call for investors and analysts on Friday, February 4, 2022 from 8:00 pm to 9:00 pm IST to discuss its Q3FY22 and 9MFY22 financial results.

Alkem will be represented on the call by Mr. Rajesh Dubey, Chief Financial Officer and the senior management team.

Motilal Oswal Securities Ltd. will host the call.

#### **Details of the conference call are as under:**

**Time:** 8:00 pm IST (GMT + 5:30) on Friday, February 4, 2022

#### **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=7734368&linkSecurityString=1f6089c600>

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](http://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](http://www.alkemlabs.com)

#### **For further information or queries, please contact**

#### **Gagan Borana**

Investor Relations

Tel: +91 22 3982 9960 / Mobile: +91 98190 56333

E-mail: [gagan.borana@alkem.com](mailto:gagan.borana@alkem.com)

# ALKEM LABORATORIES LIMITED



Investor Presentation  
Q3FY22 February 4, 2022

# 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.



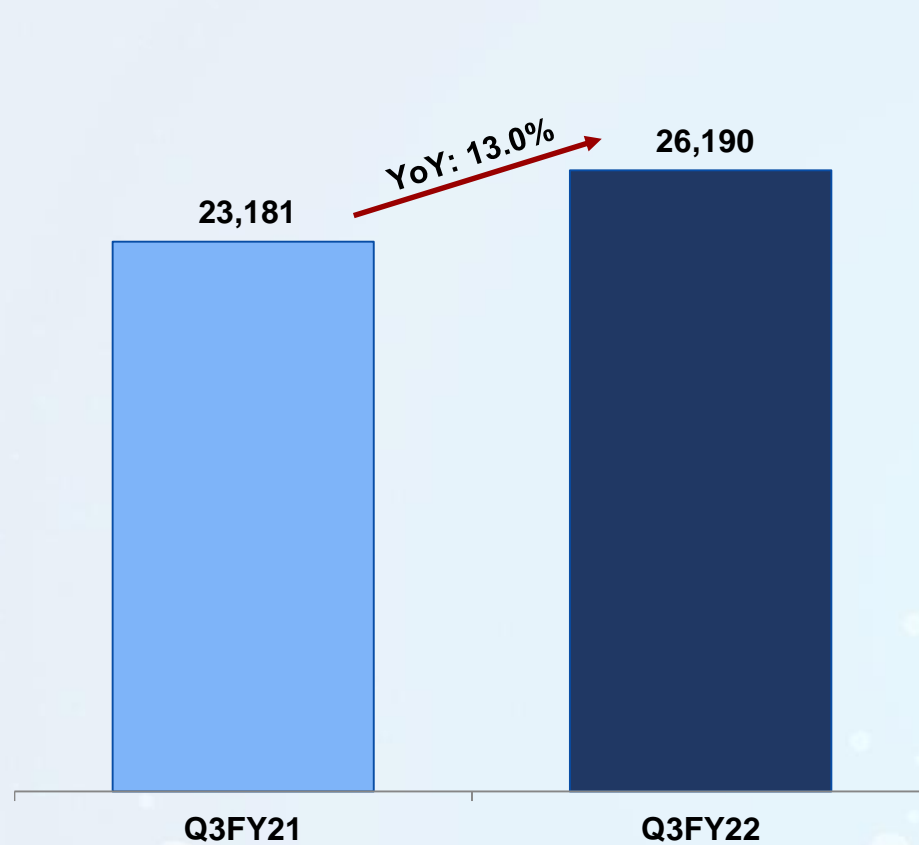
# Key Highlights of Q3FY22 and 9MFY22

- **Revenue from Operations** grew by 13.0% YoY during the quarter, with EBITDA margin at 19.0% and Net Profit growth of 16.6% YoY
- **India Business:** Company's secondary sales in Q3FY22 registered growth of 16.0% YoY compared to IPM growth of 10.4% YoY (Source: IQVIA data)
  - Strong volume led growth in the acute therapies partially helped by COVID-19
  - Faster than market growth in chronic therapies during 9MFY22
  - Trade Generic business continues to deliver robust growth despite the high base of last year
  - Recently launched Pulmocare division (in respiratory segment) saw encouraging response with higher than market growth rate
- **US Business** – Continue to face pricing pressure on the base business, partially being mitigated by new product launches
- **R&D** expenses in the quarter was ₹ 1.4 billion at 5.5% of revenue from operations
  - The Company filed 1 ANDAs with the US FDA and received 6 approvals (including 1 tentative approvals) in Q3FY22
- **Healthy Balance Sheet** with net cash of ₹ 14.9 billion as on December 31, 2021

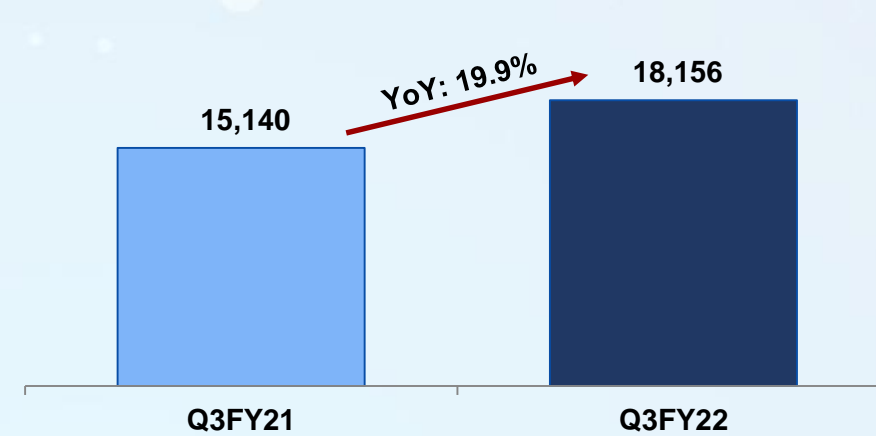
# Key Financial Highlights – Q3FY22 (Consolidated)

All figures in ₹ mn

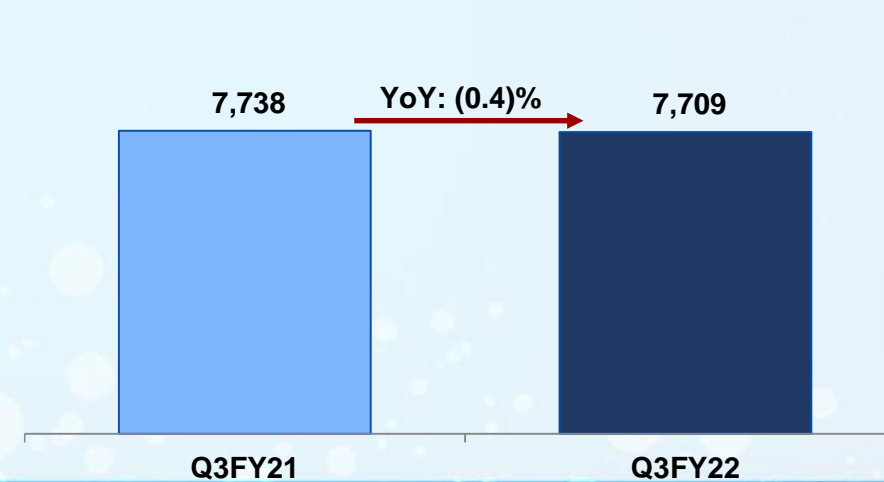
## Revenue from Operations



## India sales



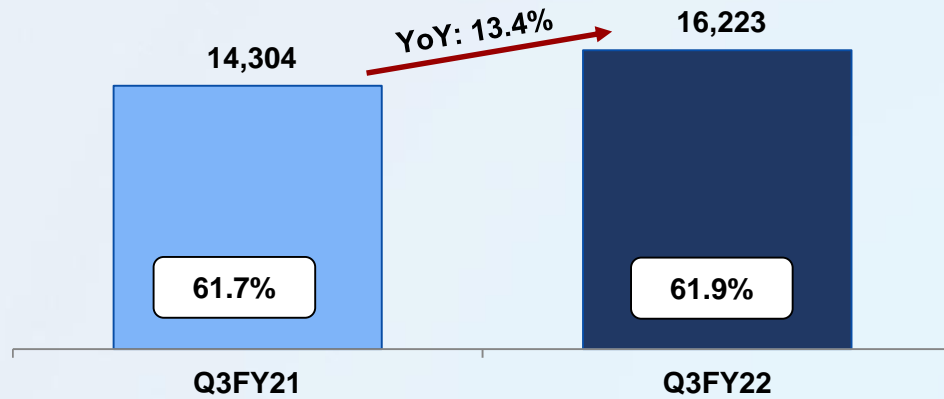
## International sales



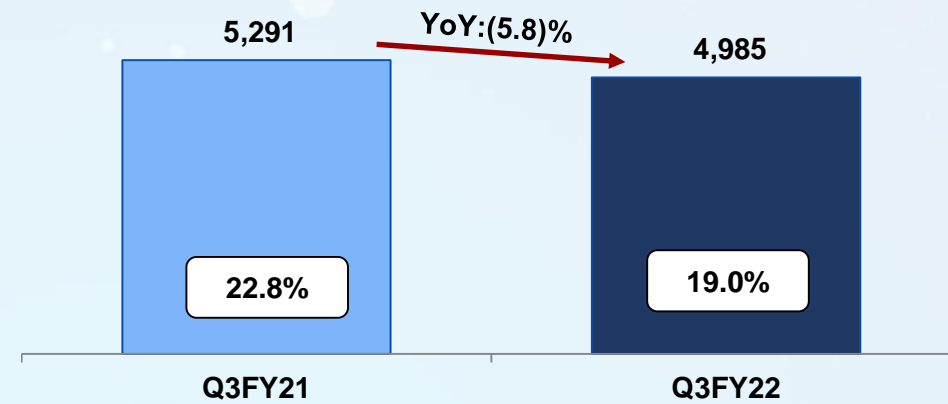
# Key Financial Highlights – Q3FY22 (Consolidated)

All figures in ₹ mn

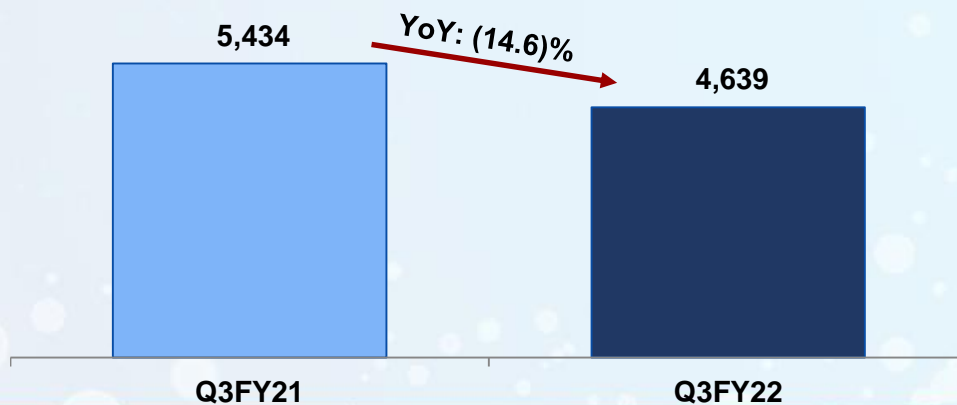
## Gross Profit and Gross Margin



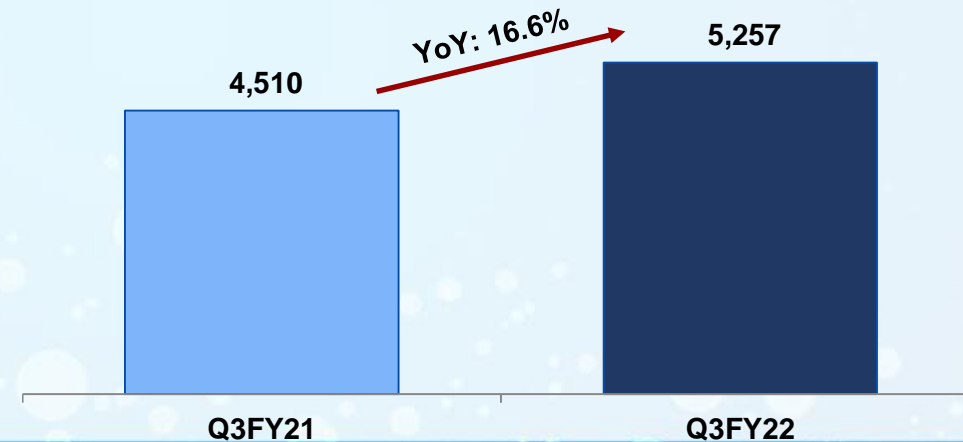
## EBITDA and EBITDA Margin



## PBT (before Minority Interest)



## PAT (after Minority Interest)



# Key Financial Highlights – 9MFY22 (Consolidated)

All figures in ₹ mn

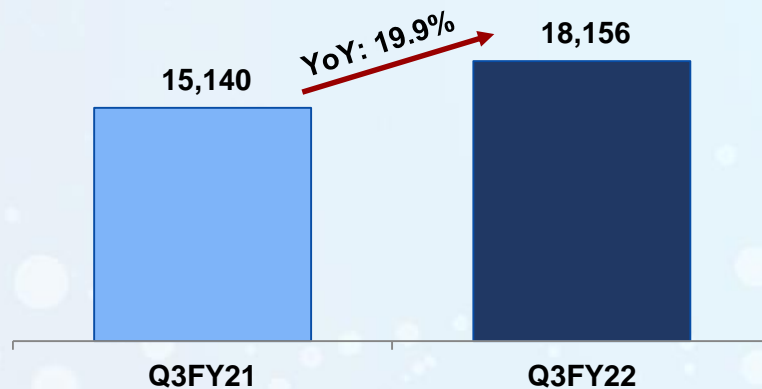
Particulars (₹ mn)	9MFY22	9MFY21	YoY growth
Revenue from Operations	81,503	66,729	22.1%
Gross Profit	50,014	41,174	21.5%
Gross Profit margin	61.4%	61.7%	
EBITDA	17,157	16,513	3.9%
EBITDA margin	21.1%	24.7%	
PBT	16,016	15,839	1.1%
PBT margin	19.7%	23.7%	
PAT (After Minority Interest)	15,380	13,450	14.3%
PAT margin	18.9%	20.2%	
EPS (₹ / share)	128.64	112.49	14.3%

# India Business

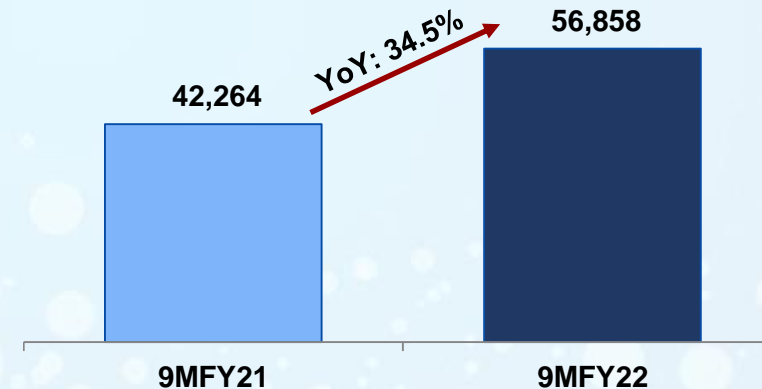
## India Business: Q3FY22 Sales of ₹ 18,156 million (19.9% YoY growth)

- India sales contributed 70.2% to total sales in Q3FY22
- In 9MFY22, the Company's secondary sales grew by 31.7% YoY compared to IPM growth of 21.1% YoY (Source: IQVIA data)
- Growth was mainly led by acute therapies like anti-infectives, vitamins / minerals / nutrients, gastrointestinal and pain management segment helped by COVID-19 tailwinds
- During 9MFY22, the Company also outperformed IPM in the chronic therapies like neuro / CNS, cardiac, anti-diabetes and derma
- Company's Trade Generic business delivered a robust growth during the quarter and nine months, despite the high base of last financial year

**Q3FY22 – India Sales (₹ mn)**

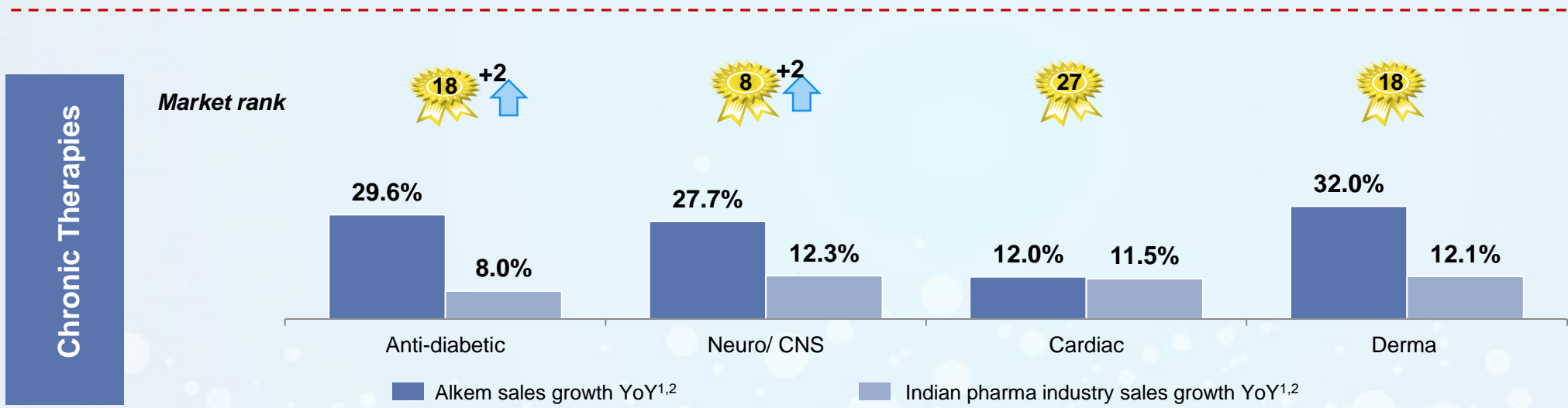
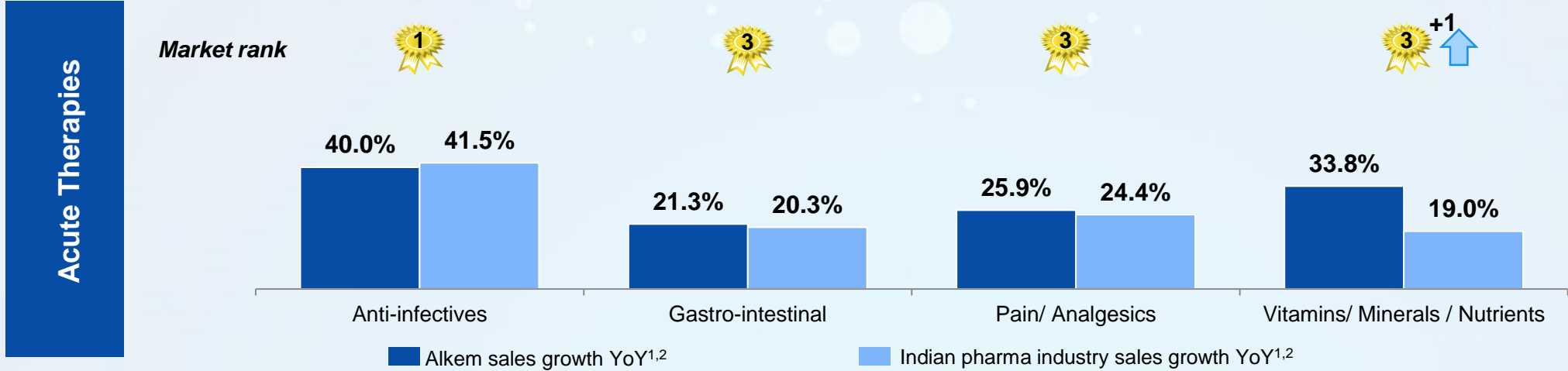


**9MFY22 – India Sales (₹ mn)**



# Secondary Sales Performance

Robust growth across all the major therapeutic segments in 9MFY22



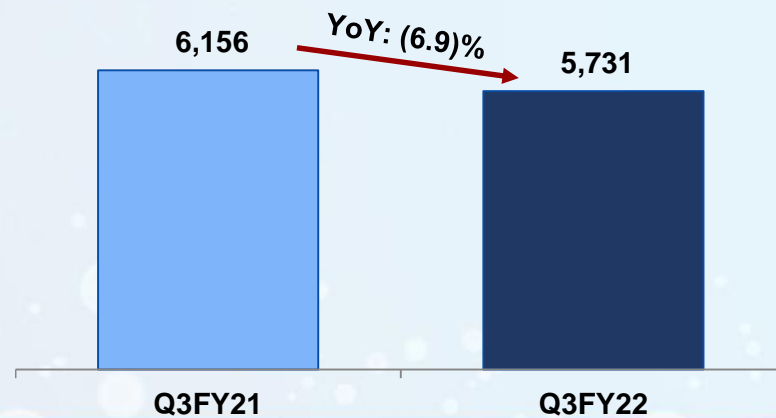
Source: IQVIA data <sup>1</sup> Domestic formulations sales; <sup>2</sup> For 9 months ended December 31, 2021

# US Business

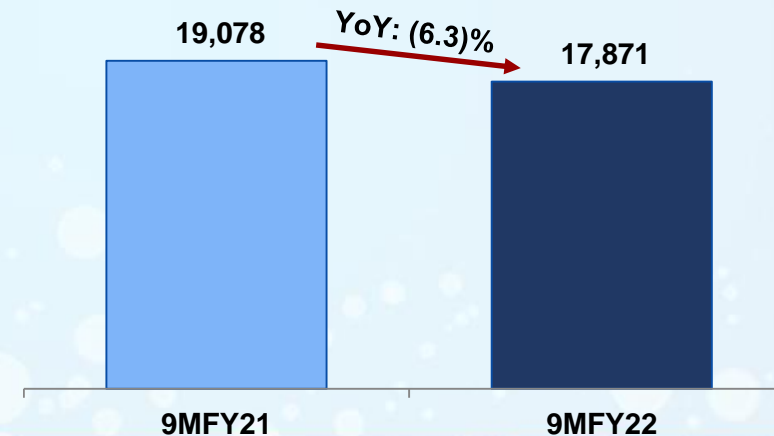
## US Business: Q3FY22 Sales of ₹ 5,731 million (YoY decline of 6.9%)

- US sales contributed 22.2% to total sales in Q3FY22
- YoY decline was mainly on account of significant pricing pressure on the base business which was partially offset by new product launches
- In 9MFY22, the Company filed 9 ANDAs with the US FDA and received 18 approvals (including 3 tentative approvals)
- As on December 31, 2021, the Company has filed a total of 160 ANDAs (including 2 NDAs) with the US FDA and has received 124 approvals (including 15 tentative approvals and 2 NDAs)

**Q3FY22 – US Sales (₹ mn)**



**9MFY22 – US Sales (₹ mn)**



# US Business

## Update on US FDA inspections

Manufacturing Facility	Capability	Last inspection	Status post last inspection
<b>Taloja (India)</b>	Bioequivalence Centre	July 2021	Successfully closed inspection without any observations
<b>St. Louis (US)</b>	Formulations	June 2021	Received 2 observations. Already sent a detail response to the US FDA on the corrective and preventive actions being taken
<b>Baddi (India)</b>	Formulations	February 2020	EIR# received in March 2020
<b>Daman (India)</b>	Formulations	August 2019	EIR# received in October 2019
<b>California (US)</b>	APIs	August 2018	EIR# received in October 2018
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<b>Mandva (India)</b>	APIs	September 2015	EIR# received in March 2016

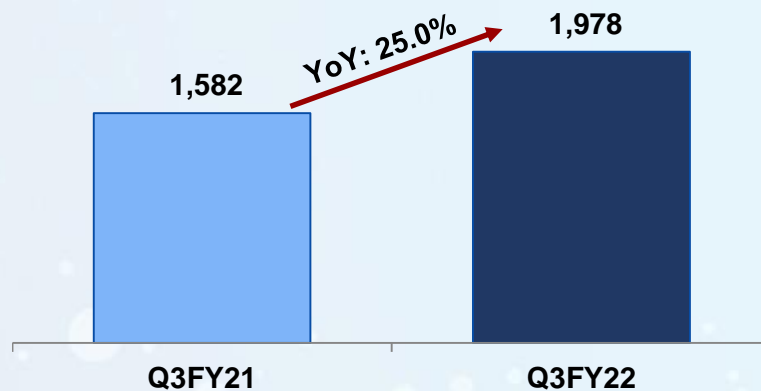


# Other International Business

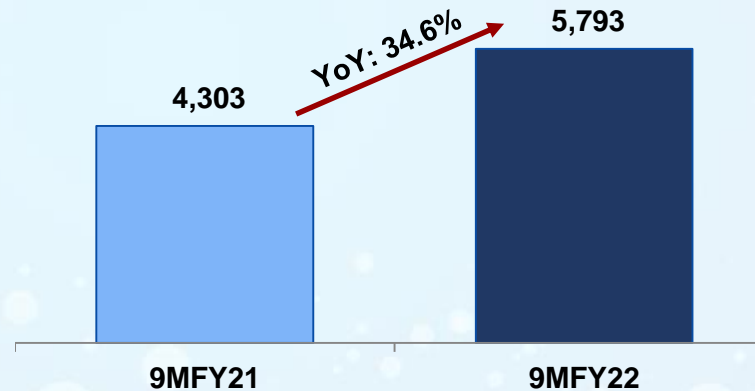
**Other International Business: Q3FY22 Sales of ₹ 1,978 million (25.0% YoY growth)**

- Other International Market sales contributed 7.6% to total sales in Q3FY22
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Key markets like Australia, Chile, Philippines and Kazakhstan registered healthy growth during Q3FY22 and 9MFY22

**Q3FY22 – Other International Sales**  
(₹ mn)

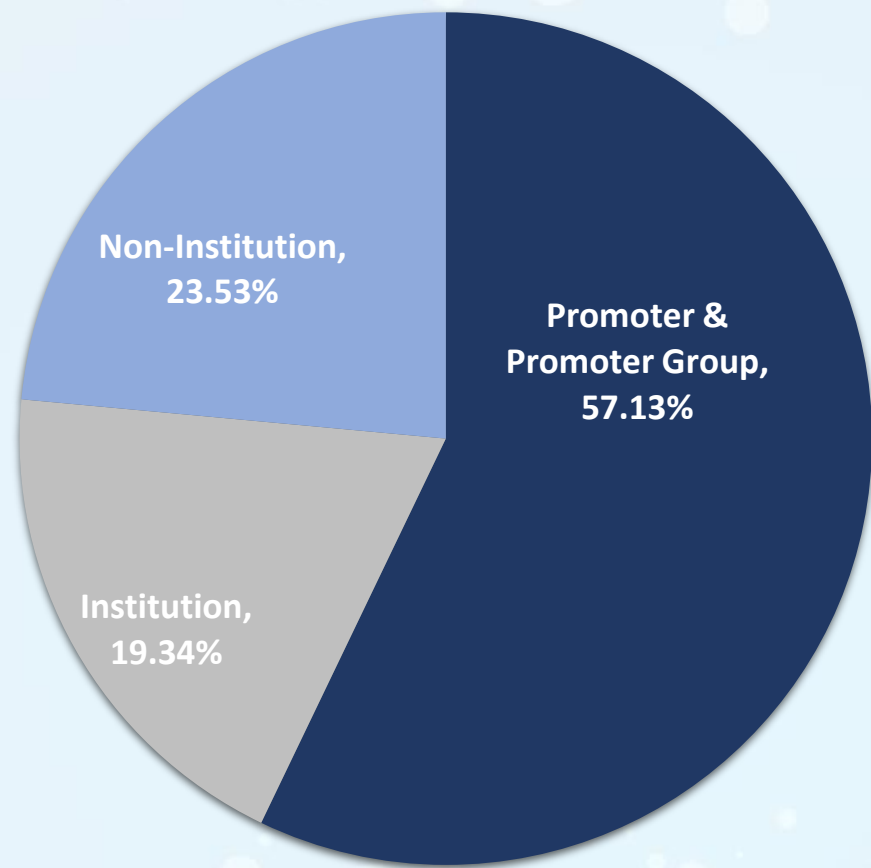


**9MFY22 – Other International Sales**  
(₹ mn)



# Latest Shareholding Pattern

Shareholding pattern as on December 31, 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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