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

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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) centers00 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.

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