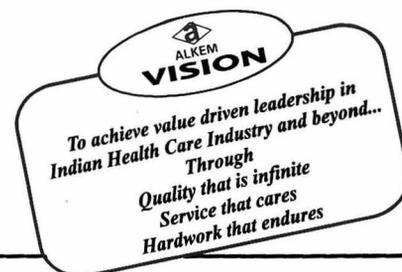




ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201



8th February, 2019

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

Dear Sirs,

Sub: Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended 31st December, 2018 and Declaration of Interim Dividend.

In continuation of our letter dated 1st February, 2019, the Board of Directors of the Company, at its meeting held today, i.e. 8th February, 2019 inter alia, has:

- a. Approved the Standalone and Consolidated Unaudited Financial Results for the quarter and nine months ended 31st December, 2018 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").

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. 8/- (Rupees Eight only) per equity share on the face value of Rs. 2/- per share for the financial year 2018-19 pursuant to Regulation 43 read with Regulation 30 of the Listing Regulations.

The date of payment of Interim Dividend shall be on and from 21st February, 2019.

Further, as informed vide our letter dated 1st February, 2019 submitted to the Stock Exchanges pursuant to Clause 42 of the Listing Regulations, the record date for the purpose of payment of interim dividend for the financial year 2018-19 would be Monday, 18th February, 2019.

The meeting of the Board of Directors of the Company commenced at 10.30 a.m. and concluded at 1.30 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

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To Board of Directors of Alkem Laboratories Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Alkem Laboratories Limited ('the Company'), its subsidiaries listed in Annexure I (collectively referred to as 'the Group') for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated financial results are 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.

We did not review the financial information of two subsidiaries included in the Statement, whose unaudited financial information reflect total revenue of Rs. 1,805.6 million and Rs. 5,466.3 million for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively. This unaudited financial information has been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the Statement, to the extent they have been derived from such unaudited financial information is based solely on the reports of such other auditors. Our conclusion is not modified in respect of this matter.

We did not review the financial information of seventeen subsidiaries included in the Statement, whose unaudited financial information reflect total revenue of Rs. 1,115.4 million and Rs. 3,550.1 million for the quarter ended 31 December 2018 and period from 1 April 2018 to 31 December 2018 respectively. This unaudited financial information has been furnished to us by the Management of the Company and our conclusion on the Statement, to the extent they have been derived from such unaudited financial information in respect of these subsidiaries, is based solely on such management certified unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these unaudited financial information are not material to the Group. Our conclusion is not modified in respect of this matter.



Review report (*Continued*)

Alkem Laboratories Limited

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013, and other recognised accounting practices and policies 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.

For B S R & Co. LLP

Chartered Accountants

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



Sadashiv Shetty

Partner

Membership No: 048648

Mumbai

8 February 2019

Alkem Laboratories Limited

Annexure I to the Review report

1. List of Subsidiaries

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.	Alkem Laboratories (NIG) Limited, Nigeria	Wholly Owned Subsidiary (Upto 6 May 2018)
6.	Pharmacor Pty Limited, Australia	Wholly Owned Subsidiary
7.	Alkem Laboratories (PTY) Ltd, South Africa	Wholly Owned Subsidiary
8.	Enzene Biosciences Ltd, India	Wholly Owned Subsidiary
9.	Cachet Pharmaceuticals Pvt Ltd, India	Subsidiary
10.	Indchemie Health Specialities Pvt Ltd, India	Subsidiary
11.	Alkem Laboratories Corporation, Philippines	Wholly Owned Subsidiary
12.	Alkem Pharma GmbH, Germany	Wholly Owned Subsidiary
13.	Ascends Laboratories SDN BHD., Malaysia	Wholly Owned Subsidiary
14.	Ascends Laboratories SpA, Chile (Ascend Chile)	Wholly Owned Subsidiary
15.	Pharma Network SpA, Chile	Wholly Owned Subsidiary of Ascend Chile
16.	Alkem Laboratories Korea Inc, Korea	Wholly Owned Subsidiary
17.	Pharmacor Ltd., Kenya	Wholly Owned Subsidiary
18.	The PharmaNetwork, LLP, Kazakhstan	Wholly Owned Subsidiary
19.	Ascend Laboratories (UK) Ltd., UK	Wholly Owned Subsidiary
20.	Ascend Laboratories Ltd., Canada	Wholly Owned Subsidiary
21.	Alkem Foundation	Wholly Owned Subsidiary

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 and Nine months ended 31 December 2018

(₹ in Million except per share data)

Particulars	Quarter ended			Nine months ended		Year ended
	31.12.2018 Unaudited	30.09.2018 Unaudited	31.12.2017 Unaudited	31.12.2018 Unaudited	31.12.2017 Unaudited	31.03.2018 Audited
1 Income						
(a) Revenue from Operations	19,250.3	19,189.2	17,411.9	55,029.9	49,091.9	64,124.8
(b) Other Income	93.5	240.2	238.6	600.4	868.4	1,146.5
Total Income	19,343.8	19,429.4	17,650.5	55,630.3	49,960.3	65,271.3
2 Expenses						
(a) Cost of materials consumed	4,593.1	4,330.7	4,394.6	12,563.5	11,489.0	15,672.3
(b) Purchases of stock-in-trade	3,489.2	2,550.8	3,528.0	9,372.3	7,848.3	10,358.9
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	147.7	758.2	(1,658.7)	594.7	(368.6)	(902.2)
(d) Employee benefits expense	3,463.5	3,278.6	3,113.7	10,136.6	8,929.6	11,916.4
(e) Finance costs	153.8	164.0	144.8	480.4	448.9	553.3
(f) Depreciation and amortisation expense	476.9	457.7	375.0	1,359.1	1,027.0	1,430.3
(g) Other expenses	4,439.0	4,629.2	4,429.0	13,565.2	12,134.8	16,982.5
Total Expenses	16,763.2	16,169.2	14,326.4	48,071.8	41,509.0	56,011.5
3 Profit before exceptional items and tax (1) - (2)	2,580.6	3,260.2	3,324.1	7,558.5	8,451.3	9,259.8
4 Exceptional items	-	-	-	-	-	-
5 Profit before tax (3) - (4)	2,580.6	3,260.2	3,324.1	7,558.5	8,451.3	9,259.8
6 Tax expense / (credit)						
Current tax	692.3	702.5	918.2	1,790.6	2,303.0	2,425.2
Deferred tax	(166.2)	(46.5)	597.2	(263.5)	427.4	450.4
Total Tax expense	526.1	656.0	1,515.4	1,527.1	2,730.4	2,875.6
7 Profit for the period (5) - (6)	2,054.5	2,604.2	1,808.7	6,031.4	5,720.9	6,384.2
8 Other Comprehensive Income (net of tax)						
Items that will not be reclassified to profit or loss	(3.2)	1.5	27.7	9.2	12.3	(105.4)
Income tax relating to items that will not be reclassified to profit or loss	1.1	(1.0)	(9.6)	(3.5)	(4.2)	37.1
Items that will be reclassified to profit or loss	(374.0)	436.5	(203.2)	342.0	(174.5)	(121.3)
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total other Comprehensive Income (net of tax)	(376.1)	437.0	(185.1)	347.7	(166.4)	(189.6)
9 Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	1,678.4	3,041.2	1,623.6	6,379.1	5,554.5	6,194.6
10 Profit attributable to						
a) Owners of the Company	2,025.3	2,544.7	1,716.4	5,931.5	5,638.6	6,309.4
b) Non-Controlling Interest	29.2	59.5	92.3	99.9	82.3	74.8
11 Other Comprehensive Income attributable to						
a) Owners of the Company	(374.0)	437.0	(174.3)	347.5	(156.6)	(190.7)
b) Non-Controlling Interest	(2.1)	-	(10.8)	0.2	(9.8)	1.1
12 Total Comprehensive Income attributable to						
a) Owners of the Company	1,651.3	2,981.7	1,542.1	6,279.0	5,482.0	6,118.7
b) Non-Controlling Interest	27.1	59.5	81.5	100.1	72.5	75.9
13 Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
14 Other Equity						48,398.6
15 Earnings Per Share of ₹2 each (not annualised for quarters)						
(a) ₹ (Basic)	16.94	21.28	14.36	49.61	47.16	52.77
(b) ₹ (Diluted)	16.94	21.28	14.36	49.61	47.16	52.77

B. N. S. S.

Notes :

- 1 The above unaudited consolidated financial results of the Company were reviewed and recommended by the Audit Committee on 7 February 2019 and subsequently approved by the Board of Directors at its meeting held on 8 February 2019. The figures for the quarter and nine months ended 31 December 2018 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter and nine months ended 31 December 2018.
- 2 The Group operates in one reportable business segment i.e. "Pharmaceuticals".
- 3 Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, Revenue from operations is disclosed net of GST. Revenue from operations for the period prior to 1 July 2017 included excise duty which is now subsumed under GST. Accordingly, revenue from operations for the nine months ended 31 December 2018 are not strictly comparable with those of the previous corresponding period presented.
- 4 The Board of Directors in its meeting held on 8 February 2019 have declared an interim dividend of ₹ 8 (Rupees eight only) per equity share of the face value of ₹ 2 each (400%).
- 5 Previous periods' figures have been regrouped/reclassified, where necessary, to make them comparable with the figures for the current period.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 8 February 2019

B S R & Co. LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Review report

To Board of Directors of Alkem Laboratories Limited

We have reviewed the accompanying statement of unaudited standalone financial results ('the Statement') of Alkem Laboratories Limited ('the Company') for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the standalone financial results are 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.

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies 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.

For B S R & Co. LLP
Chartered Accountants

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



Sadashiv Shetty
Partner

Membership No: 048648

Mumbai
8 February 2019

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 Standalone Financial Results for the Quarter and Nine months ended 31 December 2018

(₹ in Million except per share data)

	Particulars	Quarter ended			Nine months ended		Year ended
		31.12.2018 Unaudited	30.09.2018 Unaudited	31.12.2017 Unaudited	31.12.2018 Unaudited	31.12.2017 Unaudited	31.03.2018 Audited
1	Income						
	(a) Revenue from Operations	15,360.3	14,402.2	14,228.2	42,462.5	41,258.2	52,817.8
	(b) Other Income	57.5	234.3	223.9	485.1	759.3	1,001.4
	Total Income	15,417.8	14,636.5	14,452.1	42,947.6	42,017.5	53,819.2
2	Expenses						
	(a) Cost of materials consumed	3,963.7	3,710.5	3,638.8	10,711.2	9,746.7	13,276.9
	(b) Purchases of stock-in-trade	1,821.4	1,261.6	2,739.8	4,979.3	6,051.2	8,389.5
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	389.4	568.2	(1,288.9)	968.8	164.2	(914.2)
	(d) Employee benefits expense	2,440.3	2,283.5	2,232.7	7,151.4	6,420.8	8,616.3
	(e) Finance costs	74.5	89.4	71.8	268.1	260.1	323.7
	(f) Depreciation and amortisation expense	351.1	333.7	283.0	1,000.9	774.7	1,076.5
	(g) Other expenses	3,508.2	3,541.9	3,768.1	10,574.8	9,893.4	13,707.6
	Total Expenses	12,548.6	11,788.8	11,445.3	35,654.5	33,311.1	44,476.3
3	Profit before exceptional item and tax (1) - (2)	2,869.2	2,847.7	3,006.8	7,293.1	8,706.4	9,342.9
4	Exceptional item	-	-	-	-	-	-
5	Profit before tax (3) - (4)	2,869.2	2,847.7	3,006.8	7,293.1	8,706.4	9,342.9
6	Tax expense / (credit)						
	Current tax	586.1	620.3	824.5	1,546.4	2,028.7	2,016.6
	Deferred tax	(129.2)	(155.6)	52.6	(343.5)	119.2	167.9
	Total Tax expense	456.9	464.7	877.1	1,202.9	2,147.9	2,184.5
7	Profit for the period after tax (5 - 6)	2,412.3	2,383.0	2,129.7	6,090.2	6,558.5	7,158.4
8	Other Comprehensive Income (net of tax)						
	Items that will not be reclassified to profit or loss	3.0	3.1	(6.2)	9.2	(18.6)	(111.1)
	Income tax relating to items that will not be reclassified to profit or loss	(1.1)	(1.0)	2.1	(3.2)	6.4	38.4
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (net of tax)	1.9	2.1	(4.1)	6.0	(12.2)	(72.7)
9	Total Comprehensive Income for the period (comprising Profit for the period (after tax) and Other Comprehensive Income (net of tax)) (7) + (8)	2,414.2	2,385.1	2,125.6	6,096.2	6,546.3	7,085.7
10	Paid-up Equity Share Capital (Face Value ₹ 2 each fully paid up)	239.1	239.1	239.1	239.1	239.1	239.1
11	Other Equity						48,614.5
12	Earnings Per Share of ₹ 2 each (not annualised for the quarters)						
	(a) ₹ (Basic)	20.18	19.93	17.81	50.94	54.85	59.87
	(b) ₹ (Diluted)	20.18	19.93	17.81	50.94	54.85	59.87

Prin...

Notes :

- 1 The above unaudited standalone financial results of the Company were reviewed and recommended by the Audit Committee on 7 February 2019 and subsequently approved by the Board of Directors at its meeting held on 8 February 2019. The figures for the quarter and nine months ended 31 December 2018 have been subjected to limited review by the statutory auditors. The auditors have expressed an unmodified opinion on the financial results for the quarter and nine months ended 31 December 2018.
- 2 The Company operates in one reportable business segment i.e. "Pharmaceuticals".
- 3 Post implementation of Goods and Service Tax ("GST") with effect from 1 July 2017, Revenue from operations is disclosed net of GST. Revenue from operations for the period prior to 1 July 2017 included excise duty which is now subsumed under GST. Accordingly, revenue from operations for the nine months ended 31 December 2018 are not strictly comparable with those of the previous corresponding period presented.
- 4 The Board of Directors in its meeting held on 8 February 2019 have declared an interim dividend of ₹ 8 (Rupees eight only) per equity share of the face value of ₹ 2 each (400%).
- 5 Previous periods' figures have been regrouped/reclassified, where necessary, to make them comparable with the figures for the current period.

By Order of the Board
For Alkem Laboratories Limited



B.N. Singh
Executive Chairman
DIN: 00760310

Place: Mumbai
Dated: 8 February 2019



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201



8th February, 2019

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

Dear Sirs,

Sub: Press Release and Analyst Presentation on Q3FY19 and 9MFY19 Results

With reference to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith press release and analyst presentation on Q3FY19 and 9MFY19 earnings and business updates and the same will be uploaded on the website of the Company.

Kindly take note of the same.

Sincerely,
For **Alkem Laboratories Limited**


Manish Narang
President - Legal, Company Secretary & Compliance Officer

Encl.: a/a



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201



Press Release

Alkem reports Q3FY19 and 9MFY19 Results

Mumbai, February 8, 2019: Alkem Laboratories Ltd (Alkem) today announced its standalone and consolidated financial results for the third quarter and nine months ending December 31, 2018. These results were taken on record by the Board of Directors at a meeting held in Mumbai today.

Key financial highlights of Q3FY19

- Revenue from Operations was Rs.19,250 million, year-on-year growth of 10.6%
 - India sales were Rs.12,475 million, year-on-year decline of 0.7%
 - International sales were Rs.6,532 million, year-on-year growth of 40.2%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.3,118 million, resulting in EBITDA margin of 16.2% vs. 20.7% in Q3FY18. EBITDA declined by 13.5% YoY
- R&D expenses for the quarter was Rs.1,195 million, or 6.2% of Revenue from Operations compared to Rs.927 million in Q3FY18 at 5.3% of Revenue from Operations
- Profit before tax (PBT) was Rs.2,581 million compared to Rs.3,324 million in Q3FY18
- Net Profit (after Minority Interest) was Rs.2,025 million, year-on-year growth of 18.0%

Key financial highlights of 9MFY19

- Revenue from Operations was Rs.55,030 million, year-on-year growth of 12.1%
 - India sales were Rs.36,566 million, year-on-year growth of 3.6%
 - International sales were Rs.17,820 million, year-on-year growth of 36.0%
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) was Rs.8,798 million, resulting in EBITDA margin of 16.0% vs. 18.5% in 9MFY18. EBITDA declined by 2.9% YoY
- R&D expenses for 9MFY19 was Rs.3,230 million, or 5.9% of Revenue from Operations compared to Rs.2,529 million in 9MFY18 at 5.2% of Revenue from Operations
- Profit before tax (PBT) was Rs.7,559 million compared to Rs.8,451 million in 9MFY18
- Net Profit (after Minority Interest) was Rs.5,932 million, year-on-year growth of 5.2%

At the start of FY19, in order to streamline its distribution process, the Company has made changes in its distribution policy which has led to shifting of some of its India sales between the quarters and this will eventually normalise on the full year basis. Adjusting for this change in distribution policy, the India sales for 9MFY19 would have reported higher growth, leading to higher growth in the revenue from operations and better EBITDA margin.

Commenting on the results, Sandeep Singh, Managing Director, Alkem said, "Q3FY19 was a mixed quarter for the Company. While our International business, mainly led by the US business, continued its strong growth momentum with more than 40% YoY growth, our India business faced challenges on account of ban on select FDC products, de-growth in our trade generic business due to tightening of credit terms and relatively weak anti-infective season. This along with higher API prices adversely affected our profit margins. With significant investments in people and infrastructure over the last couple of years, we are hopeful of delivering a better performance over the coming quarters."

**ALKEM****ALKEM LABORATORIES LTD.**

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201

**Operational Highlights****India Business**

In Q3FY19, the Company's India sales declined by 0.7% YoY, recording a sales of Rs.12,475 million as compared to Rs.12,567 million in Q3FY18. For 9MFY19, the Company's India sales grew by 3.6% to Rs.36,566 million compared to Rs.35,298 million in 9MFY18.

As per IQVIA MAT December 2018, during the quarter, the Company registered value growth of 10.1% YoY, which was largely in-line with the Indian Pharmaceutical Market (IPM) growth of 10.2% YoY. For the nine months ending December 2018, the Company outperformed the IPM with YoY growth of 14.2% compared to IPM growth of 11.5%. During this period, the Company grew faster than the IPM in most of the large therapy segments like Anti-Infectives, Gastro Intestinal, Vitamins / Minerals / Nutrients, Neuro / CNS, Cardiac and Anti-Diabetes, thereby gaining market share and improving its market ranking. Company's emerging therapy segments in the chronic space, like Anti-Diabetic, Cardiac, Derma and Neuro / CNS also delivered strong growth.

The performance highlights in the key therapeutic segments in Q3FY19 and 9MFY19 is as shown below:

Key Therapy segment	Q3FY19				9MFY19			
	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	8.3%	6.7%	1	Unchanged	13.9%	7.8%
Gastro Intestinal	3	Unchanged	15.9%	7.0%	3	Unchanged	17.8%	9.0%
Pain / Analgesics	3	Unchanged	7.6%	8.6%	3	Unchanged	5.8%	9.1%
Vitamins / Minerals / Nutrients	5	-1	9.1%	12.2%	5	-1	13.8%	13.0%
Neuro / CNS	8	Unchanged	8.5%	10.4%	8	+1	14.5%	10.7%
Derma	16	+1	2.6%	10.5%	17	+1	15.1%	14.4%
Cardiac	26	+2	33.7%	13.0%	26	+2	29.2%	12.5%
Anti-Diabetic	22	+2	32.0%	16.0%	22	+3	33.7%	15.1%
Total	5	Unchanged	10.1%	10.2%	6	Unchanged	14.2%	11.5%

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

Source: IQVIA MAT December 2018

International Business

In Q3FY19, the Company's International sales grew by 40.2% YoY, recording sales of Rs.6,532 million as compared to Rs.4,659 million in Q3FY18. For 9MFY19, the Company's International sales grew by 36.0% to Rs.17,820 million compared to Rs.13,101 million in 9MFY18.

- **US sales** for the quarter was Rs.5,182 million, recording a year-on-year growth of 44.3%. For 9MFY19, US sales was Rs.14,144 million, up 47.4% compared to 9MFY18.



ALKEM

ALKEM LABORATORIES LTD.

Regd. Office : "ALKEM HOUSE", Senapati Bapat Marg,
Lower Parel, MUMBAI 400 013. Phone : 3982 9999, Fax : 022 - 2495 2955
Email : contact@alkem.com Website : www.alkemlabs.com
CIN no.:- L00305MH1973PLC174201



- **Other International Markets sales** for the quarter was Rs.1,349 million, recording a year-on-year growth of 26.4%. For 9MFY19, Other International Markets sales was Rs.3,675 million, up 4.9% compared to 9MFY18.

R&D Investments

Company's revenue R&D expenses for the quarter was Rs.1,195 million, or 6.2% of revenue from operations. Similarly for 9MFY19, Company's revenue R&D expenses was Rs.3,230 million, or 5.9% of total revenue from operations.

During the quarter, the Company filed 3 abbreviated new drug applications (ANDAs) with the US FDA and received 6 approvals (including 1 tentative approval). For 9MFY19, the Company filed 14 ANDAs with the US FDA and received 10 approvals (including 3 tentative approval).

As on December 31, 2018, the Company has filed a total of 119 ANDAs and 1 new drug application (NDA) with the US FDA of which 52 are Para IV filings including first-to-files (FTFs). Of these, it has received approvals for 59 ANDAs (including 8 tentative approvals) and 1 NDA.

Update on US FDA Inspections

In the month of January and February 2019, the US FDA conducted inspections at the Company's formulation manufacturing facilities located at Daman (India) and St. Louis (US). At the end of the inspection, no Form 483 was issued for the Daman facility, while the St. Louis facility received Form 483 with 8 observations.

Facility	Capability	Inspection Date	Update
Daman (India)	Formulations	January 2019	Successfully closed the inspection with no Form 483
Baddi (India)	Formulations	August 2018	Successfully closed the inspection with no Form 483
Ankleshwar (India)	API	December 2016	EIR Report received in March 2017
Mandva (India)	API	September 2015	EIR Report received in March 2016
St. Louis (US)	Formulations	February 2019	Received Form 483 with eight observations
California (US)	API	August 2018	Successfully closed the inspection with no Form 483



Alkem Laboratories Ltd

Investor Presentation Q3FY19 – February 8, 2019



Safe Harbor Statement

This presentation contains forward-looking statements and information that involve risks, uncertainties and assumptions. Forward-looking statements are all statements that concern plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are other than statements of historical fact, including, but not limited to, those that are identified by the use of words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “predicts”, “projects” and similar expressions. Risks and uncertainties that could affect us include, without limitation:

- General economic and business conditions in India and other key global markets in which we operate;
- The ability to successfully implement our strategy, our research and development efforts, growth & expansion plans and technological changes;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Allocations of funds by the Governments in our key global markets;
- Changes in laws and regulations that apply to our customers, suppliers, and the pharmaceutical industry;
- Increasing competition in and the conditions of our customers, suppliers and the pharmaceutical industry; and
- Changes in political conditions in India and in our key global markets.

Should one or more of such risks and uncertainties materialize, or should any underlying assumption prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements.

Any forward-looking statement or information contained in this presentation speaks only as of the date of the statement. We are not required to update any such statement or information to either reflect events or circumstances that occur after the date the statement or information is made or to account for unanticipated events, unless it is required by Law.

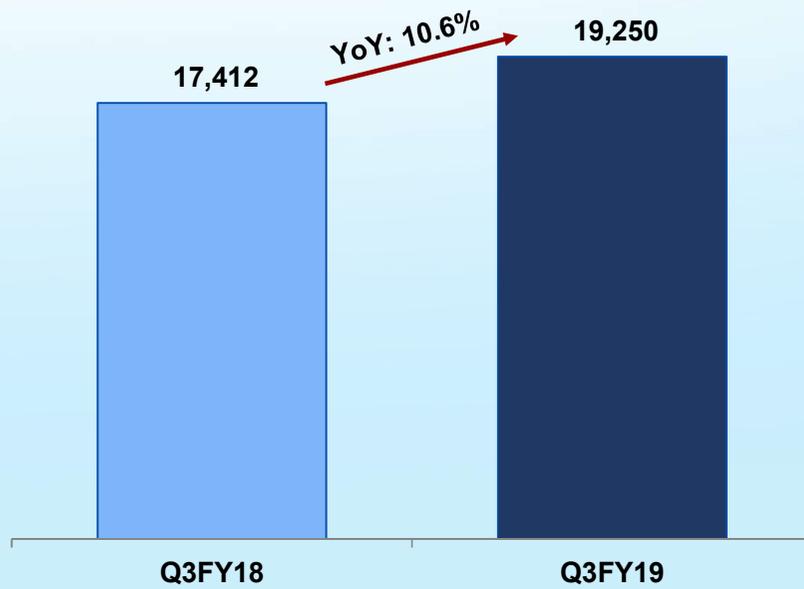
Key Highlights of Q3FY19 and 9MFY19

- **India Business:** Company's India sales registered 0.7% YoY decline in Q3FY19 on account of ban on select FDC products, slower growth in anti-infective and gastro-intestinal market and de-growth in trade generic business due to tightening of credit terms
 - Company's secondary sales in 9MFY19 grew by 14.2% YoY - higher than IPM growth of 11.5% YoY (Source: IQVIA MAT Dec. 2018)
- **International Business:** Company's International Business comprising of the US and select international markets registered a robust growth of 40.2% in Q3FY19 and 36.0% YoY in 9MFY19
- **US Business** grew by 44.3% YoY in Q3FY19 and 47.4% YoY in 9MFY19, largely driven by new product launches and market share gain in existing products
- **R&D** expenses in 9MFY19 increased by 27.7% YoY and was at 5.9% of revenue from operations compared to 5.2% in 9MFY19
- **ANDA filings:** The Company filed 14 ANDAs and received 10 ANDA approvals (including 3 tentative) from the US FDA during 9MFY19
- **Update on the US FDA inspections :**
 - January 2019 – Inspection at Daman formulation facility, received no Form 483
 - January - February 2019 - Inspection at St. Louis (US) formulation facility, received Form 483 with eight observations

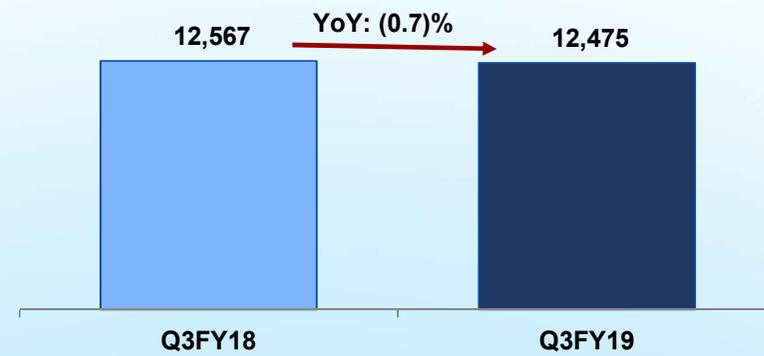
Key Financial Highlights – Q3FY19 (Consolidated)

All figures in Rs mn

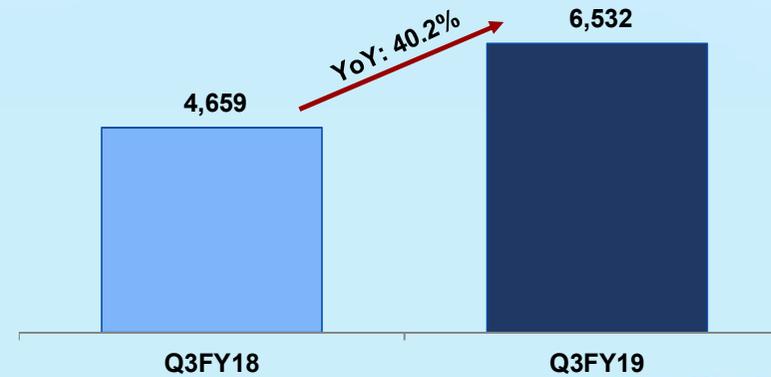
Revenue from Operations



India sales



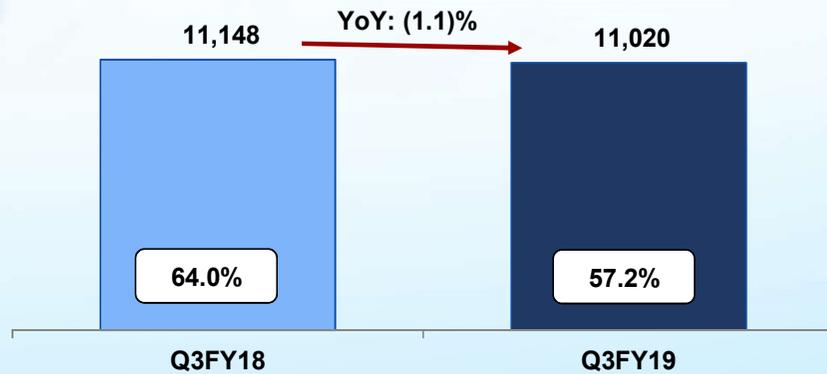
International sales



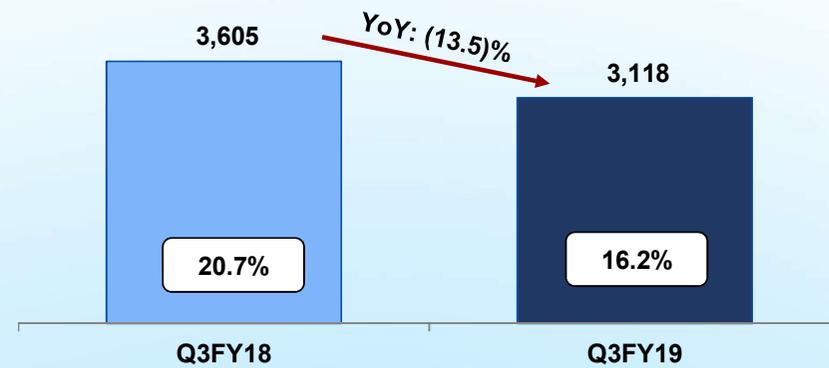
Key Financial Highlights – Q3FY19 (Consolidated)

All figures in Rs mn

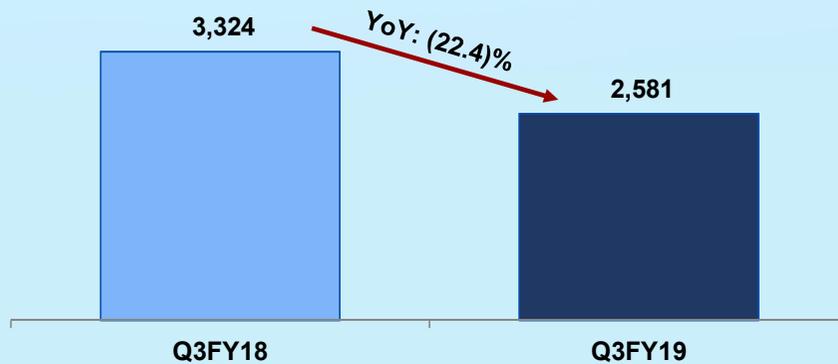
Gross Profit and Gross Margin



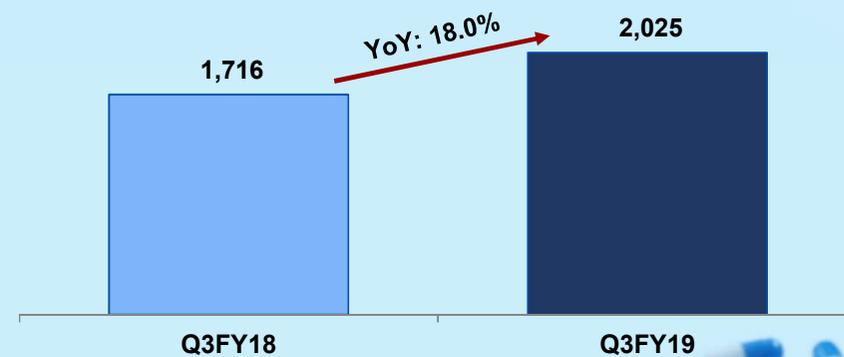
EBITDA and EBITDA Margin



PBT (before Minority Interest)



PAT (after Minority Interest)

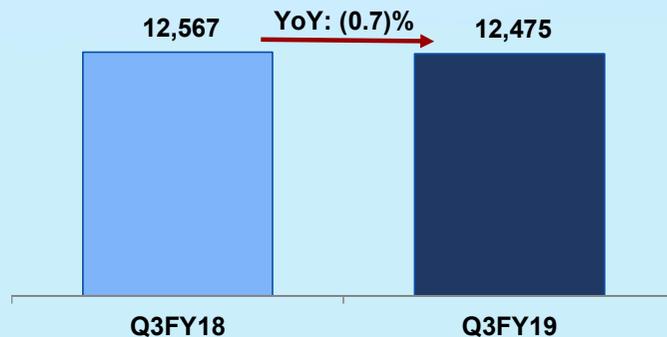


India Business

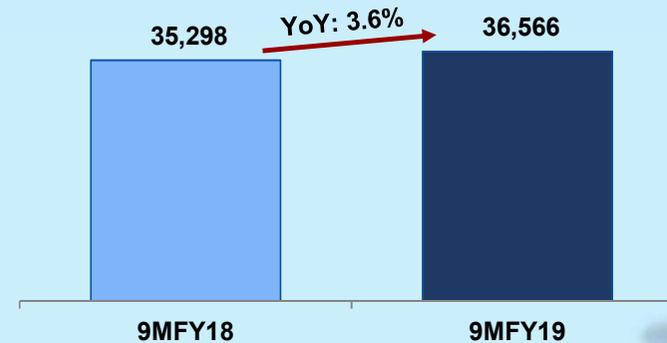
India Business: Q3FY19 Sales of Rs.12,475 million (0.7% YoY decline)

- YoY decline in India sales during Q3FY19 was mainly on account of ban on select FDC products, de-growth in Company's trade generic business due to tightening of credit terms, slower growth in the anti-infective market and high base of Q3FY18 (due to post GST channel inventory normalization)
- India sales contributed 65.6% to total sales in Q3FY19
- For 9MFY19, Company's secondary sales growth outperformed the IPM growth by 270 bps (Source: IQVIA data)
- The Company continues to consolidate its position amongst the top 5 companies in the acute therapy areas of Anti-infectives, Gastro-intestinal, Pain / Analgesic and Vitamins / Minerals / Nutrients (Source: IQVIA data)
- The Company continues to grow significantly ahead of the segment growth rate in the chronic therapy areas of Cardiac, Anti-diabetes, Neuro / CNS and Derma, thereby improving its market share and rankings (Source: IQVIA data)

Q3FY19 – India Sales (Rs mn)



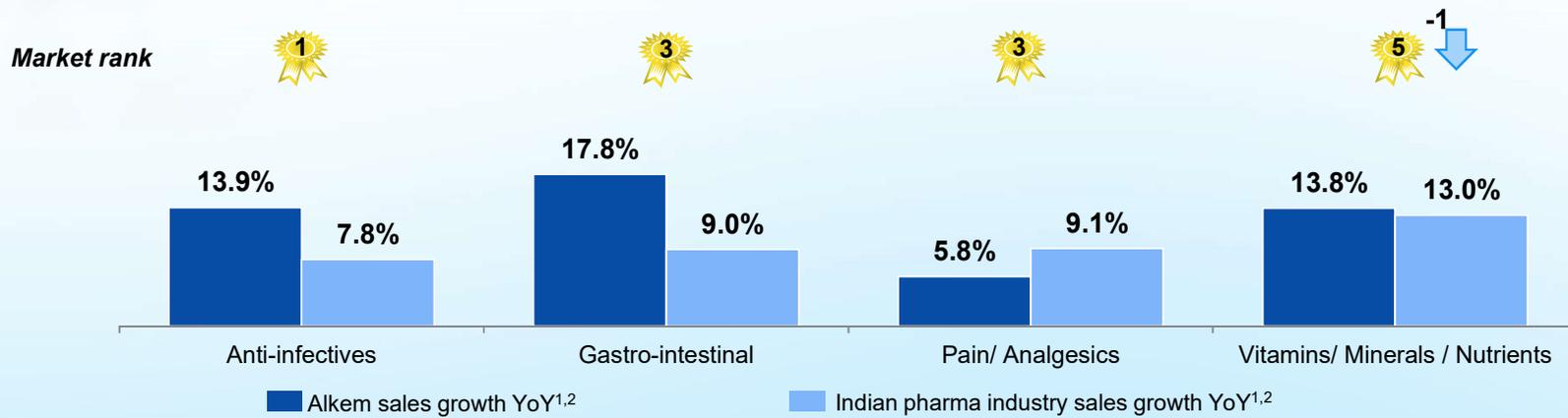
9MFY19 – India Sales (Rs mn)



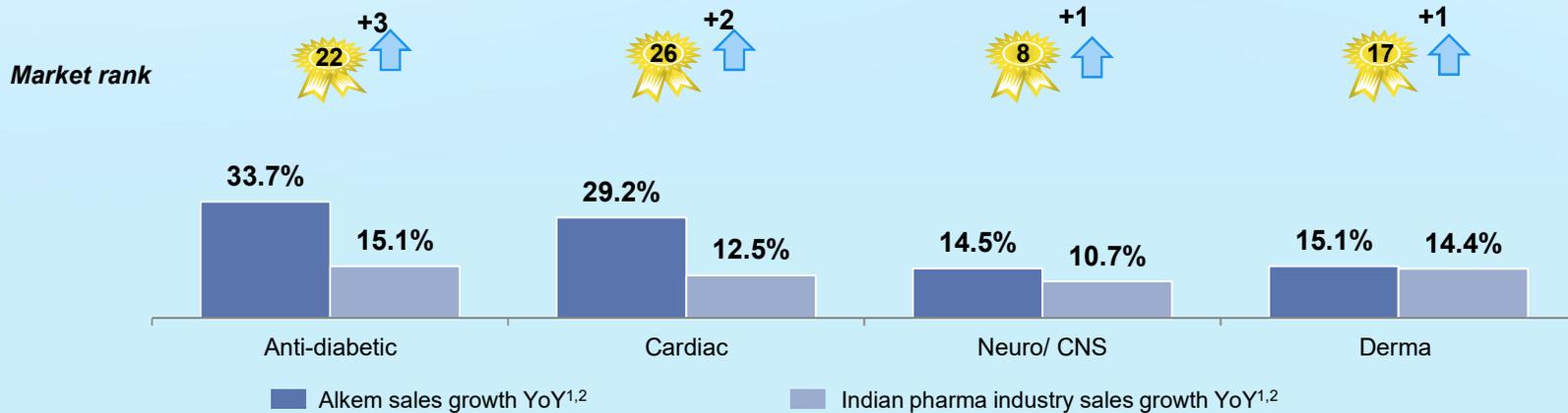
India Business – Secondary Sales Performance

Outperformance across most of the major therapeutic areas in 9MFY19

Established therapeutic areas of Alkem



Emerging therapeutic areas of Alkem



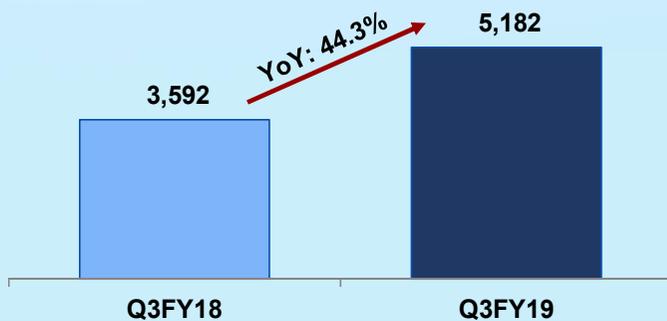
Source: IQVIA TSA data ¹ Domestic formulations sales; ² For 9 months ended December 31, 2018

US Business

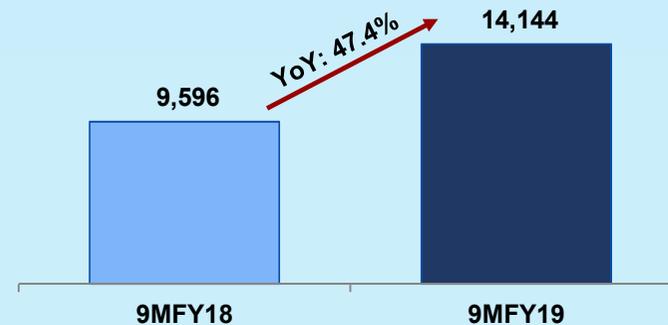
US Business: Q3FY19 Sales of Rs.5,182 million (44.3% growth YoY)

- US sales contributed 27.3% to total sales in Q3FY19
- Growth in the US business was driven by combination of new product launches and market share gains in the existing products. Depreciation of INR against USD also helped the YoY growth during Q3FY19 and 9MFY19
- In Q3FY19, the Company filed 3 ANDAs with the US FDA and received 6 approvals (including 1 tentative approval)
- As on December 31, 2018, the Company has filed a total of 120 ANDAs (including 1 NDA) with the US FDA and has received 60 approvals (including 8 tentative approvals and 1 NDA)

Q3FY19 – US Sales (Rs mn)



9MFY19 – US Sales (Rs mn)



Update on the US FDA inspection

In the month of January and February 2019, the US FDA conducted inspections at the Company's formulation manufacturing facilities located at Daman (India) and St. Louis (US). At the end of the inspection, no Form 483 was issued for the Daman facility, while the St. Louis facility received Form 483 with 8 observations

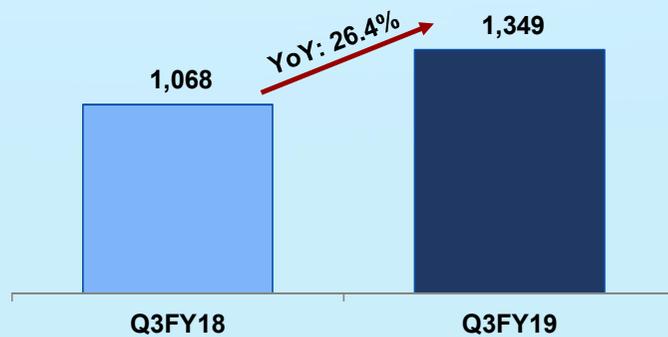
Facility	Scope	Inspection Date	Update
Daman (India)	Formulations	January 2019	Successfully closed the inspection with no Form 483
Baddi (India)	Formulations	August 2018	Successfully closed the inspection with no Form 483
Ankleshwar (India)	API	December 2016	EIR received in March 2017
Mandva (India)	API	September 2015	EIR received in March 2016
St. Louis (US)	Formulations	February 2019	Received Form 483 with eight observations
California (US)	API	August 2018	Successfully closed the inspection with no Form 483

Other International Business

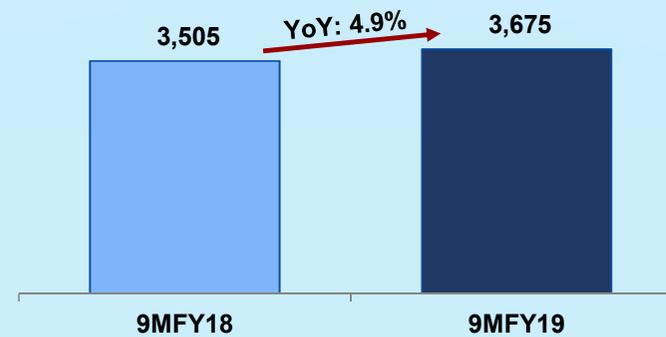
Other International Business: Q3FY19 Sales of Rs.1,349 million (26.4% YoY growth)

- Other International Market sales contributed 7.1% to total sales in Q3FY19
- The Company has presence in Australia, Europe, South East Asia, Latin America, Africa and CIS
- Australia and Chile registered robust growth during the quarter

**Q3FY19 – Other International Sales
(Rs mn)**

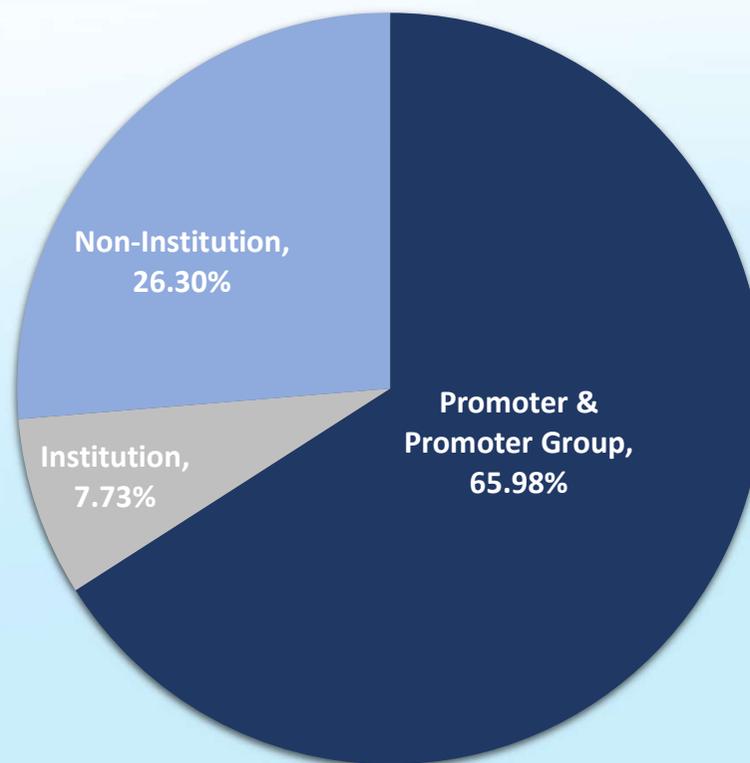


**9MFY19 – Other International Sales
(Rs mn)**



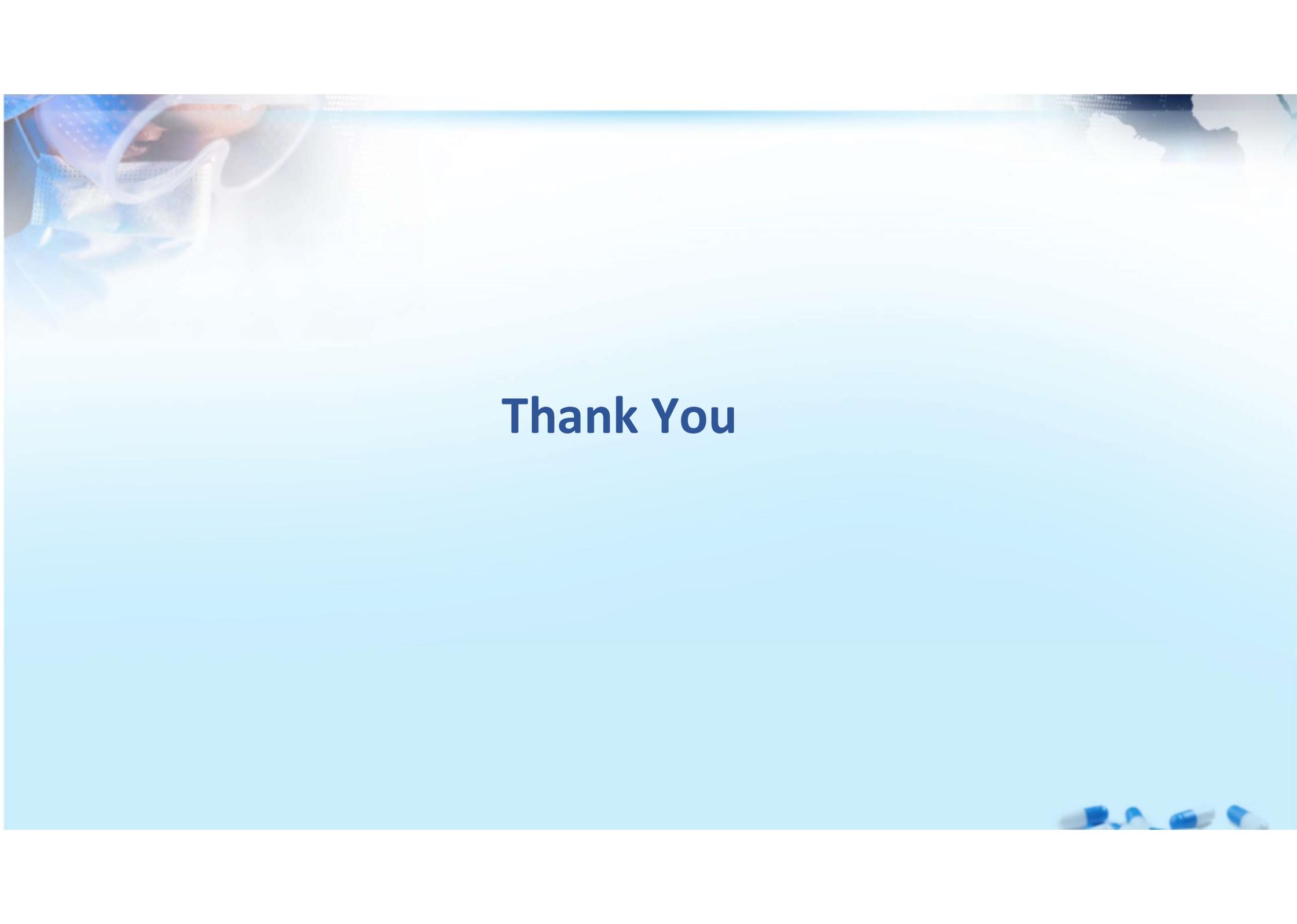
Latest Shareholding Pattern

Shareholding pattern as on December 31, 2018



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

The background of the slide is a light blue gradient. In the top left corner, there is a semi-transparent image of a person wearing a blue surgical mask and clear safety goggles. In the bottom right corner, there is a small cluster of white and blue capsules or pills.

Thank You