

Bloomberg Code	ALKEM IN
No of share O/S (Cr)	11.96
Market Cap (Rs Cr)	34,496
Face Value (Rs)	2
Dividend Yield (%)	0.87
52 Wk High/Low (Rs)	3089.5/1711.5

Shareholding (%)	
Promoters	62.43
Institutional	15.52
Public	22.05
Total	100.0

Robust growth in Margins on the back of superior revenue mix and savings in SG&A spends

Key Highlights

Alkem Laboratories Ltd (Alkem) reported a YoY growth of 8.3% in consolidated revenue to Rs. 2003.5 cr in Q1FY21 over the corresponding period previous year.

EBITDA grew at a robust rate of 101.6% YoY, to Rs 533.2 cr in Q1FY21, compared to Rs 264.5 cr in Q1FY20. The EBITDA margins improved by 1180 bps during the quarter and by 1230 bps during the year, due to a superior revenue mix and savings in SG&A spends.

Alkem reported a YoY growth of 126% in PAT in Q1FY21 at Rs 423.2 cr.

Outperformance in therapies of anti-infectives and gastro-intestinal was maintained.

US sales recorded a strong growth of 38.3% YoY whereas other International Markets sales recorded a YoY growth of 8.6%

Valuation

Alkem is currently trading at FY21 forwarded P/E of 33.2x

Financial Summary

4 ANDAs filed and 2 approvals (1 tentative approval) received.

SG&A spends will normalize in the coming quarters.

Capex for the next 3 years to be around Rs 350 crores annually.

Target for FY21 – 10 launches and 12-15 filings in the US.

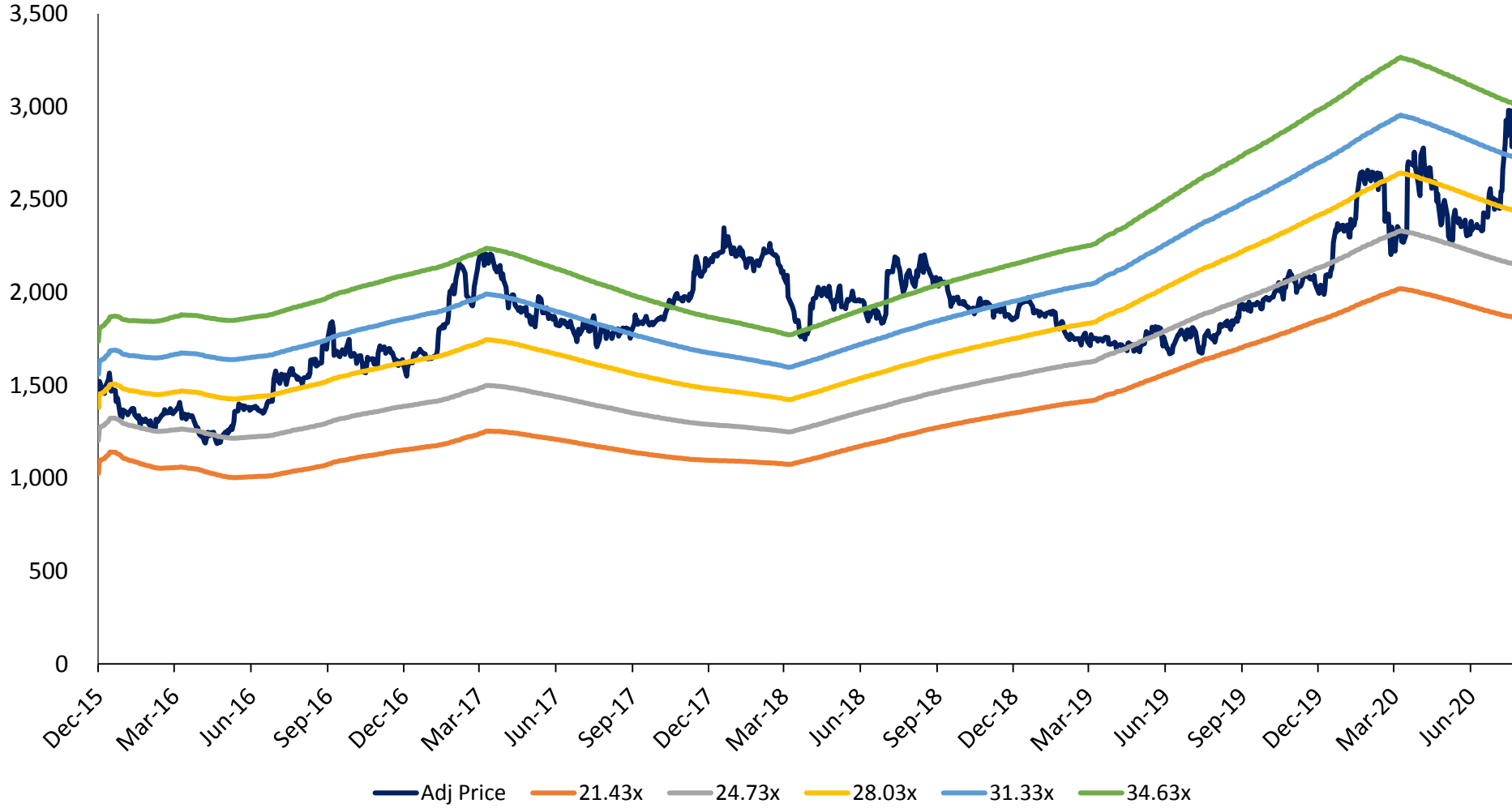
India sales growth expected to be 3-5% in FY21 and tax rate 12-15%.

R&D expenses during the quarter stood at 5.9% of revenues

Figures are in Rs Crores	Q1 FY21	Q1 FY20	YoY%	Q4 FY20	QoQ%	FY20	FY19	YoY %
Revenue	2003.5	1849.5	8.3%	2049.0	-2.2%	8344.4	7357.2	13.4%
Raw Materials cost	733.9	711.8	3.1%	894.4	-17.9%	3344.9	2945.0	13.6%
<i>Raw Materials cost to Sales %</i>	<i>36.6%</i>	<i>38.5%</i>		<i>44.6%</i>		<i>40.1%</i>	<i>40.0%</i>	
Employee Expenses	394.2	390.3	1.0%	329.9	19.5%	1505.5	1362.5	10.5%
<i>Employee expense to Sales %</i>	<i>19.7%</i>	<i>21.1%</i>		<i>16.1%</i>		<i>18.0%</i>	<i>18.5%</i>	
Other expense	342.2	482.9	-29.1%	521.7	-34.4%	2020.5	1935.0	4.4%
<i>Other expense to Sales %</i>	<i>17.1%</i>	<i>26.1%</i>		<i>25.5%</i>		<i>24.2%</i>	<i>26.3%</i>	
EBITDA	533.2	264.5	101.6%	303.0	75.9%	1473.4	1114.8	32.2%
<i>EBITDA Margin %</i>	<i>26.6%</i>	<i>14.3%</i>		<i>14.8%</i>		<i>17.7%</i>	<i>15.2%</i>	
Depreciation	66.8	55.8	19.7%	81.1	-17.5%	252.8	193.2	30.8%
Interest	17.1	16.1	6.1%	14.2	20.8%	65.1	54.6	19.1%
Other Income	43.5	17.5	149.0%	27.5	58.4%	104.2	87.7	18.8%
<i>Other Income to Sales %</i>	<i>2.2%</i>	<i>0.9%</i>		<i>1.3%</i>		<i>1.2%</i>	<i>1.2%</i>	
PBT	492.8	210.0	134.6%	235.3	109.4%	1259.8	954.7	32.0%
<i>PBT Margin %</i>	<i>24.6%</i>	<i>11.4%</i>		<i>11.5%</i>		<i>15.1%</i>	<i>13.0%</i>	
Tax	69.6	22.7	206.0%	43.8	59.0%	110.5	181.0	-39.0%
<i>Tax Rate %</i>	<i>14.1%</i>	<i>10.8%</i>		<i>18.6%</i>		<i>8.8%</i>	<i>19.0%</i>	
PAT	423.2	187.3	126.0%	191.5	120.9%	1149.3	773.6	48.6%
<i>PAT Margin %</i>	<i>21.1%</i>	<i>10.1%</i>		<i>9.6%</i>		<i>13.8%</i>	<i>10.5%</i>	
EPS	35.4	15.7	126.0%	16.0	120.9%	96.1	64.7	
Shareholder Funds						6160.7	5439.3	
BV per Share						515.3	454.9	
Net Debt						400.7	13.1	
Net Debt to Equity						0.07	0.00	
Net Debt to EBITDA						0.3	0.0	
RoE						18.7%	14.2%	
P/E						30.0	44.6	
EV/EBITDA						23.7	31.0	

1 year forwarded valuation band chart

1 year forwarded P/E band chart



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