LAURUS Labs
Chemistry for Better Living

October 24, 2024

To	To
The Corporate Relations Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 **Code: 540222**	**The Listing Department** **National Stock Exchange of India Ltd.,** Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 **Code: LAURUSLABS**

Dear Sir / Madam,

Sub: **Press Release**

Please find enclosed the Press Release on the Unaudited Financial Results for the quarter and half-year ended September 30, 2024.

Please take the information on record.

Thanking you,

Yours sincerely,

For **Laurus Labs Limited**

VENKATESWAR REDDY GOGIREDDY
Digitally signed by VENKATESWAR REDDY GOGIREDDY
Date: 2024.10.24 15:23:03 +05'30'

G. Venkateswar Reddy
Company Secretary & Compliance Officer

Encl: A/a

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Press Release

FOR IMMEDIATE RELEASE

24 OCTOBER, 2024

Laurus Labs Announces H1 FY25 Results

Revenues at ₹ 2,419 Cr; EBITDA at ₹ 353 Cr

Hyderabad, October 24, 2024: Laurus Labs Ltd. (Laurus BSE: 540222, NSE: LAURUSLABS, ISIN: INE947Q01028), a leading research and development driven pharmaceutical and biotech company in India announces its Q2 & H1 FY25 results.

Financial Summary

[₹ Crore] except EPS amounts	2Q FY25	2Q FY24	Y-o-Y	1H FY25	1H FY24	Y-o-Y
Revenues	1,224	1,224	0%	2,419	2,406	1%
Gross Margins	55.2%	52.5%	+2.7%	55.1%	51.6%	+3.5%
EBITDA	182	188	-3%	353	356	-1%
EBITDA Margins	14.9%	15.4%	-0.5%	14.6%	14.8%	-0.2%
PBT	23	54	-57%	41	95	-57%
Net Profit	20	37	-46%	33	62	-47%
EPS (Diluted)	0.4	0.6	-43%	0.6	1.1	-45%

Dr. Satyanarayana Chava, Founder & Chief Executive Officer commented;

"We are pleased to see sustained demand in our CMO/CDMO services, supported by ongoing operational excellence and expanding platform capabilities. Opening of new R&D center significantly advances our one-stop 'D & M' capability in meeting global partner diverse needs and growing early phase enquiries. Q2 results demonstrates continued resilience in financial health, led by strong growth in CDMO vertical offset by lower sales in ARV and Oncology API business. We remain committed to deliver on key NCE opportunities in H2, which is in line with our Full year growth outlook. Looking at industry fundamentals, we are well positioned to capture value by maintaining our focus on solving customer complex needs and deliver long-term stakeholder value"

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V V Ravi Kumar, Executive Director & Chief Financial Officer commented;

"During Q2, we delivered ₹ 1,224 Cr in revenues and ₹ 182 Cr EBITDA, resulting to 14.9% margin. Gross margins maintained healthy at 55.2% due to favorable CDMO mix and process optimization. Operating results affected from lower utilization of assets as we continue to prioritise resources towards delivering several complex projects at various clinical phases.

Soft H1 performance, in line with expectations. We achieved ₹ 2,419 Cr in revenues, representing 1% revenues growth, and ₹ 353 Cr EBITDA, resulting in 14.6% margin. Gross margins improved by over 3.5% pts to 55.1% indicating robust business health. Overall, Net Debt has increased over last year due to continued CAPEX investments in expanding CMO capability. However, with a better H2 performance, supported by facility ramp up, and margin improvements, we expect reduction in Net-debt leverage by end of the year"

Divisional Revenue Performance

[₹ Crore]	2Q FY25	2Q FY24	Y-o-Y	1H FY25	1H FY24	Y-o-Y
CDMO-Synthesis	299	224	33%	513	474	8%
APIs	557	629	-11%	1,221	1,226	-0.4%
FDF	328	332	-1%	602	617	-2%
BIO	40	39	3%	83	89	-7%
Total Revenues	1,224	1,224	0%	2,419	2,406	1%

Summary Highlights:

- H1 Revenues ₹ 2,419 Cr and 1% revenue growth, performance on track to deliver Full Year growth outlook driven by scheduled project deliveries in CDMO
- ₹ 353 Cr EBITDA resulted in a margin of 14.6%, impacted by lower asset utilization and upfront cost absorption in growth projects
- Gross margins maintained at healthy levels of 55.1%, improving 3.5% pts over last year
- Q2 Revenues ₹ 1,224 Cr and flattish revenue growth, ₹ 182 Cr EBITDA resulted in a margin of 14.9%, Gross margins at healthy levels of 55.2%
- Encouraging demand for CMO/CDMO integrated service offering and complex APIs; pipeline momentum healthy
- CAPEX investments across key growth projects progressing as planned, to support long term growth
- FY 2025 outlook maintained; We expect better H2 reflecting facility ramp up, delivery of late-phase NCE projects and EBITDA margins improvement.

Divisional Highlights:

CDMO Synthesis

- CDMO-Synthesis business reported revenues of ₹ 513 Cr, during H1FY25; increased by 8%
- Q2 Revenues of ₹ 299 Cr; increased by 33% Y/Y, driven by advancing clinical projects
- Significant resource allocation towards delivering multiple high value complex programs in various clinical phases driving growth with high value and high volume projects.

- Committed to 2025 healthy growth, supported by scheduled project deliveries for key late phase NCE projects in Q4
- 200,000 sq.ft New small molecules R&D facility opened in IKP Knowledge Park leveraging advanced capability (flow chemistry, bio-catalysis, and high potent chemistry) to meet expanded global partner needs and early phase projects.
- Strong momentum for the early phase clinical and late phase RFPs continued involving complex technology
- Working on over 90 active projects in total (70 Human health and 20 in Animal and Crop Protection). On-going commercial supplies for about 10 products including few APIs as well as several intermediates
- Planned capacity expansion on track; Adding dedicated new Drug Substance block at Unit-4, Animal health DS facility (LSLP-U2) MB-3 operationalized in Q2 and MB-4 is under construction phase, Crop protection facility qualification targeted by end of FY25

API

- API business reported revenues of ₹ 1,221 Cr, during H1FY25; flat over last year
- Few strategic portfolio initiatives to drive API growth in the mid to long-term
- Actively working to expand CMO engagements and increase efficiency
- Filed 352 patents out of that 235 patents granted as of September'24
- Filed 87 DMFs till date

FDF

- FDF business reported revenues of ₹ 602 Cr, during H1FY25; decreased by 2%. The segment performance declined due to lower volume offtake in ARV business while Developed market delivered good growth.
- Q2 Revenues of ₹ 328 Cr; decreased by 1% Y/Y. Good ramp-up expected with the recent US approved products amidst industry supply challenges
- KRKA JV to meet strategic capacity needs on track; Tech transfer initiated under CMO mode with expanded formulation lines coming online in next 12-15 months
- H1FY25 Developed market filings: 2 product dossiers filed and a total of 4 approvals received (including Tentative approvals)

BIO

- Bio business reported revenues of ₹ 83 Cr, during H1FY25; decreased by 7%. The underlying performance is healthy excluding impact of bunched-up shipments last year and discontinued low margin non-core nutrition business
- Q2 Revenues of ₹ 40 Cr; increased by 3% Y/Y
- Positive market demand dynamic in Bio-offering continued
- Increased customer pipeline building activity strengthening our diversified CDMO customer base
- New pilot scale plant added to further support R2 optimization while also enhance R1 capacity (debottleneck) for in-house projects
- Commercial fermentation capacity built up on track

Quality & ESG Highlights:

- USFDA audit (9-13 Sep, 2024) for API manufacturing facility in Hyderabad concluded with Zero Form-483 observations
- We completed 76 Quality audit in H1 including # 6 Regulatory & # 70 Customer audits, further demonstrating our robust QMS system and international standard cGMP production capacity

- Multiple recognitions for EHS best practices received
- GHG emissions target setting in progress as per commitment to SBTi
- "BBB" ESG Rating by MSCI maintained in Aug-24 review

Earnings Conference Call

The company will organize a conference call on Thursday, October 24, 2024 at 4:30 p.m. IST to discuss Q2 & H1 FY25 results followed by an interactive Q&A session from participants. All participants may join the call by dialing below numbers OR by using Diamond Pass link

Conference Dial-in	
Universal Dial-In	+91 22 6280 1342
India Local access Number	+91 22 7115 8243
Singapore	800 101 2045
Hong Kong	800 964 448
USA	1 866 746 2133
UK	0 808 101 1573
Express Join with Diamond Pass	Click here to register

Transcript of the conference call will be available on the Company's website: www.lauruslabs.com

END

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About Laurus Labs

As a research-driven pharmaceutical manufacturing organization, Laurus Labs has been developing and assisting its client organizations to succeed in innovative medicines that globally enhance the health outcomes for patients. Since our inception in 2005, we have been developing and manufacturing APIs and Intermediates. We have global leadership position in APIs, including anti-retroviral, Oncology, Cardiovascular, and Gastro therapeutics. Our position was strengthened by our backward-integration and strong regulatory compliance across all operations. We emerged as one of

the most trusted CMO and Contract Development and Manufacturing Organization (CDMO) service provider to Global Innovators from drug development phase to commercial manufacturing. Laurus employs 6700+ people, including around 1,100+ scientists across 14 manufacturing sites approved by global agencies USFDA, WHO-Geneva, Japan-PDMA, UK-MHRA, EMA, TGA etc. During FY2024 Laurus generated ₹ 5,041 crore in annual revenue and is listed on the BSE (Bombay Stock Exchange) and the NSE (National Stock Exchange) in India. Laurus' proactive stance to conduct business with utmost Transparency, Integrity and Respect for environment & communities have earned it a place in Governance benchmark, consistently Certified Great Place to Work and Rated "BBB" by leading MSCI ESG Ratings. Corporate Identification No: L24239AP2005PLC047518.

For more information visit www.lauruslabs.com

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Laurus Labs Limited (Laurus) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.