

October 20, 2023

To The Corporate Relations Department BSE Limited Phiroz Jeejeebhoy Towers, 25 th Floor, Dalal Street Mumbai – 400001 Code: 540222	To The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Code: LAURUSLABS
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Dear Sirs,

Sub: **Press Release**

Please find enclosed the Press Release on the financial results for the quarter and half year ended September 30, 2023.

Please take the information on record.

Thanking you,

Yours sincerely,
For **Laurus Labs Limited**

G. Venkateswar Reddy
Company Secretary &
Compliance Officer

Encl: As above

Laurus Labs announces H1 FY24 results Revenues at ₹ 2,406 Cr; EBITDA at ₹ 356 Cr

Hyderabad, October 20, 2023: 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 FY24 results.

H1 FY24 :

- Revenue at ₹ 2,406 crs, - 23 % (Y-o-Y) Excluding PO, growth of 14%
- EBITDA at ₹ 356 crs, - 61 % (Y-o-Y)
- EBITDA margins at 14.8 %
- PAT at ₹ 62 crs, - 87 % (Y-o-Y)
- PAT margins at 2.6 %
- EPS (Diluted) for the period at ₹ 1.1 per share (not annualised)
- Interim Dividend of ₹ 0.40/- per share

Q2 FY24 :

- Revenue at ₹ 1,224 crs, - 22 % (Y-o-Y) Excluding PO, growth of 18%
- EBITDA at ₹ 188 crs, - 58 % (Y-o-Y)
- EBITDA margins at 15.4 %
- PAT at ₹ 37 crs, - 84% (Y-o-Y)
- PAT margins at 3.0 %
- EPS (Diluted) for the period at ₹ 0.6 per share (not annualised)

Commenting on the highlights, Founder and Chief Executive Officer Dr. Satyanarayana Chava stated

“ImmunoAct associate company of Laurus became first strategic collaboration to win marketing approval for India’s first CAR-T therapy, NexCAR19 . We are proud of this important innovative breakthrough in treating blood cancer. We feel, combination of their pipeline, technology and Laurus support in building manufacturing capabilities will accelerate our pursuit of next generation innovation in cell therapies and new drug discovery. Q2 operating results started to improve and health of our businesses are intact. Momentum in generic business has picked up during the quarter and CDMO-Synthesis is stable with healthy scale up in project pipeline along with expansion of our strategic partnerships. Our investments into transformative technology platforms are making good progress and future CDMO growth prospects are very encouraging. The recovery we saw in the quarter gives us confidence that we will have a better H2 resulting from both healthy order book and strong commercial execution. Our priorities

remain consistent on ensuring greater business resilience by accelerating our scientific advantage to deliver the best external and internal opportunities as well as long-term value creation.”

Commenting on the results, V V Ravi Kumar, Executive Director & Chief Financial Officer said;

“We delivered sequential recovery in the quarter driven by healthy underlying demand in our product portfolio. During Q2 FY24, we achieved ₹ 1,224 crs in revenues, representing 22% decline and 4% growth QoQ. Excluding PO the underlying revenue growth was healthy at 18% YoY. EBITDA stood at ₹ 188 crs, resulting to 15.4% margin. While Gross margins was stable at 52.5% our operating margin has recovered from Q1 lows. We expect overall positive momentum to continue along with realisation of cost initiatives driving improved operational results. Our ROCE on TTM basis stood ~11.4% with comfortable Balance sheet position. In H1, Laurus Lab invested a total of ₹ 385 crs Capex and we are on track to execute on our future capex as scheduled.

Our H1 operating results was challenging driven by steep fall in CDMO revenues, Price erosion in ARV portfolio over last year and operational deleverage from higher upfront cost of Capex & R&D projects. We achieved, ₹ 2,406 crs in revenues, representing 23% revenues decline. Excluding PO the underlying revenue growth was 14% YoY. EBITDA stood at ₹ 356 crs resulting in 14.8% margin.”

Business Highlights:

Overall

- Total Income for H1FY24 decreased by 23% to ₹ 2,406 crs. Excluding PO, Growth was 14%
- Total Income for Q2FY24 decreased by 22% to ₹ 1,224 crs (Y-o-Y), Excluding PO, Growth was 18%
- H1 reflect healthy underlying growth however Reported performance was impacted by lower CDMO revenues, Price erosion in ARV portfolio and operational deleverage
- R & D spends for H1FY24 reported at ₹ 105 crs and 4.4% of Revenues. Higher spends partly due to additional spends of ₹ 6 Cr in CGT space.
- Capex for H1FY24 reported at ₹ 385 crs; 16% of Revenues

Generic FDF

- FDF business generated revenue of ₹ 617 crs during H1FY24; increased by 24% due to higher offtake in ARV business and growth in Developed markets portfolio
- Q2 revenues increased by 123% YoY to ₹332 crs
- H1FY24 Developed Market filings: 5 product dossiers were filed and a total of 4 approvals received (including Tentative approvals)
- Cumulatively filed 38 ANDAs in US with 16 PARA IV filings including 11 FTF opportunities
- Small molecules DP capacities at 10 billion unit annually - gradual ramp-up through FY24

Generic API

- API business reported revenues of ₹ 1,226 crs, during H1FY24; decreased by 3%. The segment performance was driven from strong delivery in Oncology (+51%) compensating for decline in Other API (-24%)
- Q2 revenues decreased 8% YoY to ₹ 629 crs. Sequentially, revenues increased 5% driven by resumption of shipments in non-ARV segment
- ARV business retained volume led steady momentum, though Q2 moderated attributing to element of cyclical in ordering
- Other APIs slightly recovered; +2% growth QoQ. CMO order book visibility remain healthy
- Oncology sharply rebounded on favorable demand dynamics
- Filed 341 patents out of that 218 patents granted as of Sep'23
- Filed 82 DMFs till date

CDMO-Synthesis

- CDMO-Synthesis business reported revenues of ₹ 474 crs, during H1FY24; decreased by 63%. Q2 revenues declined by 69% YoY at ₹ 224 crs. Decline was driven from large supply contract execution last year
- Baseline projects continue to accelerate and expect to lead the upcoming growth
- Expanded multi-year Ag-chem relationship on critical APIs supply. Commercial manufacturing to begin in H2FY25
- Actively working on over 60 projects and On-going supplies for four commercial APIs and several intermediates.
- Integrated capability expansion on track – Animal health unit started commercial validations supplies. R&D center coming on line by FY24 end

Laurus Bio – Bio Division

- Laurus Bio reported revenues of ₹ 89 crs, during H1FY24; increased by 56%. Q2 revenues increased by 44% YoY at ₹ 39 crs. Growth led by traction in CDMO services along with customer addition
- Acquired 13.2% additional stake in Laurus Bio – Reflecting confidence on growing application of enzyme technology platform both internally and externally
- R2 capacities being optimized with large-scale CDMO partners and further expect downstream capacity going on-line from Dec'23
- Large scale fermentation capacity R3 design phase completed. Project to be executed in phased manner

About Laurus | Founded in 2005, Laurus Labs is a research-driven pharmaceutical and biotechnology company with an aim to improve the quality of life for millions around the world. We have a global leadership position in select Active Pharmaceutical Ingredients (APIs) including anti-retroviral, oncology drugs (incl High Potent APIs), Cardiovascular, and Gastro therapeutics. We also offer integrated CMO and Contract Development and Manufacturing Organization (CDMO) services to Global Innovators from Clinical phase drug development to commercial manufacturing.

We are passionate about continuous technological advances for Smart and Green chemistry skills to driven efficiencies and sustainable manufacturing backed by proven regulatory inspection and quality foundation. Laurus employs 6500+ people, including around 1050+ scientists at more than 11 facilities approved by global agencies USFDA, WHO-Geneva, Japan-PDMA, UK-MHRA, EMA, TGA etc. During FY2023 Laurus generated ₹ 6,041 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.

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For more information about us, please visit <http://www.lauruslabs.com> or Contact particulars:

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