

Laurus Labs Limited
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October 21, 2022

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, 2022.

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 continues strong momentum in Revenues and Profits for H1 FY23

Hyderabad, October 21, 2022: 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 FY23 results.

H1 FY23 :

- Revenue at ₹ 3,115 crs, increased 26 % (Y-o-Y)
- EBITDA at ₹ 903 crs, increased by 21 % (Y-o-Y)
- EBITDA margins at 29 %
- PAT at ₹ 484 crs, increased by 9 % (Y-o-Y)
- PAT margins at 16 %
- EPS (Diluted) (face value of ₹ 2/-) for the period at ₹ 9.0 per share (not annualised)
- Interim Dividend of ₹ 0.80/- per share.

Q2 FY23 :

- Revenue at ₹ 1,576 crs, increased 31 % (Y-o-Y)
- EBITDA at ₹ 449 crs, increased by 29 % (Y-o-Y)
- EBITDA margins at 28.5 %
- PAT at ₹ 233 crs, increased by 15 % (Y-o-Y)
- PAT margins at 15 %
- EPS (Diluted) for the period at ₹ 4.3 per share (not annualised)

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

"In the First Half of 2023 Laurus Lab's delivered healthy results. It reflect our efforts towards strengthening and diversifying our business by increasing revenues from CDMO and Non ARV API and Formulations. ARV FDF performance was very weak, impacted by lower volumes and adverse pricing but we expect good reversal in H2. We are also pleased to update on R&D progress where we have developed a Novel Delivery for Pediatric HIV treatment and expect to file NDA shortly. This should significantly enhance our market position. Our capital allocation priorities remain unchanged. We will continue to prioritize investments in our pipeline and business within Non-ARVs to realize the value of the several mid and long-term opportunities in front of us.

Looking forward to Second Half 2023, we expect to deliver a strong underlying Revenue growth and stable EBITDA margins of ~30% in FY2023."

Commenting on the results announcement, V V Ravi Kumar, ED & Chief Financial Officer said;

“In Q2 FY23, Laurus Lab has continued its strong performance with 31% revenue growth to ₹ 1,576 crs, driven by accelerated demand in our CDMO-Synthesis business and off-take in API business. EBITDA came at ₹ 449 crs with EBITDA margins of ~29% as favourable mix partially mitigating pricing impact in ARV business and negative operating leverage. During H1 FY23, our overall operational performance was healthy; Revenues are up 26% to ₹ 3,115 crs and EBITDA grew by 21%. Our ROCE on annualised basis stood healthy ~28% with comfortable Balance sheet position. In H1, Laurus Lab invested a total of ₹ 416 crs Capex and we are on track to execute on our future capex as scheduled”.

Business Highlights:

Overall

- Total Income for Q2 at ₹ 1,576 crs growth of 31 % (Y-o-Y). During H1 FY23 Total Income increased by 26% to ₹ 3,115 crs
- Performance driven by Strong CDMO-Synthesis and Other APIs more than compensated for overall drag in ARVs revenues
- R & D spent of ₹ 98 crs and at 3 % of Revenues in H1 FY23

Generic FDF

- FDF revenues for the quarter declined by 70% to ₹ 149 cr. During H1 the revenues decreased by 51% to ₹ 498 cr
- Growth was impacted by lower ARV business. Optimistic about having a better H2 offtake with situation getting stabilized
- During H1, 3 product dossiers were filed in Developed markets and a total of 8 approvals were received (including Tentative)
- Developed a Novel Drug Delivery for Pediatric use & IP filed
- Inauguration of injectable R & D lab in Q2
- Cumulatively filed 34 ANDAs in US with 15 PARA IV filings and 11 FTF opportunities
- Unit-2 Brownfield capacity brought online last quarter - Gradual ramp-up expected

Generic API

- API business reported revenue of ₹ 680 Cr during Q2, increased by 29% YoY. During H1 the revenues increased by 17% to ₹ 1,263
- Other APIs strong growth for Q2 and H1 at +93% and +88% YoY following new contract supplies
- Oncology revenues declined by 30% due to less offtake product and expected to recover in H2

- ARV business continued to witness volume led healthy improvement, growing +20% YoY +6% QoQ. Should stabilise around current levels
- Filed 329 patents out of that 199 patents granted as of Sep'22
- Filed 74 DMFs till date

Synthesis

- Increased revenues by +365% YoY to ₹ 720 cr for Q2. During H1 the revenues increased 271 % to ₹ 1,297
- Growth supported by accelerated demand from new and existing clients
- Actively working on over 50 projects and On-going supplies for four commercial projects
- Expansion in CDMO capability on track to include new opportunities and extended service offerings
- Greenfield investment to set up a dedicated R&D center and manufacturing units is progressing as per our expectations

Bio Division

- Largely stable and clocked Q2 sales of ₹ 27 cr. H1 sales increased by 43%
- Fully operational benefits of new capacities to reflect through FY23
- Focus on Improving Products offering and Go-to-market by leveraging relationship
- Evaluating Land parcels with a plan to create close to 1 million liters fermentation capacity in Phase 1
- **Key Management change:** Appointment of Mr. Rajesh Krishnamurthy as new Executive Director & CEO and Mr. Krishna Kalyan as Executive Director & COO, effective 1 October 2022. They will takeover from Mr. R. Subramani, who is stepping down due to personal commitments from executive role to become a non-executive director in Laurus Bio.

About Laurus | Laurus Labs is a fully integrated pharmaceutical and biotechnology company, with a leadership position in generic Active Pharmaceutical Ingredients (APIs) and a major focus on anti-retroviral, Hepatitis C, and oncology drugs. We also develop and manufacture oral solid formulations, provide contract research and manufacturing services (CRAMS) to Global pharma companies, and produce specialty ingredients for nutraceuticals, dietary supplements and cosmeceuticals.

We are passionate about advanced chemistry skills. Our proven expertise in bringing innovative solution, manufacturing efficiencies and unwavering quality focus has won us long-standing relationship with our global customers. Laurus employs 5700+ people, including around 790+ scientists at more than 8 facilities approved by major regulatory agencies USFDA, WHO-Geneva, UK-MHRA etc. During FY2022 Laurus generated over ₹ 4,900 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, Certified Great Place to Work and Rated "BBB" by leading MSCI ESG Ratings.

Corporate Identification No: L24239AP2005PLC047518

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

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