

January 24, 2024

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 nine months ended December 31, 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 9M FY24 results Revenues at ₹ 3,601 Cr; EBITDA at ₹ 539 Cr

Hyderabad, January 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 Q3 & 9M FY24 results.

9M FY24 :

- Revenue at ₹ 3,601 crs, - 23 % (Y-o-Y) Excluding PO, growth of 11%
- EBITDA at ₹ 539 crs, - 59 % (Y-o-Y)
- EBITDA margins at 15.0 %
- Spend on New Initiatives (Cell & Gene Therapy, Animal Health) at ₹ 38 Cr
- PAT at ₹ 85 crs, - 88 % (Y-o-Y)
- PAT margins at 2.4 %
- EPS (Diluted) for the period at ₹ 1.6 per share (not annualised)

Q3 FY24 :

- Revenue at ₹ 1,195 crs, - 23 % (Y-o-Y) Excluding PO, growth of 6%
- EBITDA at ₹ 183 crs, - 55 % (Y-o-Y)
- EBITDA margins at 15.3 %
- Spend on New Initiatives (Cell & Gene Therapy, Animal Health) at ₹ 22 Cr
- PAT at ₹ 23 crs, - 89% (Y-o-Y)
- PAT margins at 1.9 %
- EPS (Diluted) for the period at ₹ 0.4 per share (not annualised)

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

"While Q3 headline results were subdued, the underlying financial strength of our businesses and demand visibility have remained resilient. The positive momentum in FDF, Onco APIs and Bio division was more than offset by transient CDMO-Synthesis and Other APIs weakness. Momentum in our CDMO pipeline and RFP flows have continued with increased commercial opportunities for several late phase NCE projects. We are advancing our strategic priorities to build greater business resilience with a clear focus on accelerating scientific advantage and commercial excellence to address needs of customers and create sustainable value for patients and shareholders over the long term. Our investment into innovative CGT momentum had continued with NexCAR19™ commercially launched in India and further making rapid progress on commercial collaboration. We are also advancing on our ESG agenda"

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

“During Q3 FY24, we achieved ₹ 1,195 crs in revenues, representing 23% decline. Excluding the large CDMO PO, the underlying revenue growth was 6% YoY. EBITDA stood at ₹ 183 crs, resulting to 15.3% margin. While Gross margins was healthy at 54.3% our EBITDA margin has remain compressed due to higher spends on growth projects. We expect overall business momentum to pick, supported from healthy order book and execution on strategic manufacturing partnerships along with ongoing realisation of cost initiatives driving improvement in operational results. In 9M, Laurus Lab invested a total of ₹ 576 crs Capex and we are on track to execute on our future capex as scheduled. We will continue to prioritize investments in our business and growing pipeline to drive near and long-term growth across our portfolio.

Our 9M 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, ₹ 3,601 crs in revenues, representing 23% revenues decline. Excluding the large CDMO PO the underlying revenue growth was 11% YoY. EBITDA stood at ₹ 539 crs resulting in 15.0% margin”

Business Highlights:

Overall

- Total Income for 9MFY24 decreased by 23% to ₹ 3,601 crs. Excluding PO, Growth was 11%
- Total Income for Q3FY24 decreased by 23% to ₹ 1,195 crs (Y-o-Y), Excluding the large CDMO PO, Growth was 6%
- 9M 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 Q3FY24 reported at ₹ 67 crs and 5.6% of Revenues. Higher spends partly due to additional spends towards CGT space
- Capex for 9MFY24 reported at ₹ 576 crs; 16% of Revenues

Generic FDF

- FDF business generated revenue of ₹ 984 crs during 9MFY24; increased by 32% due to higher offtake in ARV business and growth in Developed markets portfolio
- Q3 revenues increased by 47% YoY to ₹367 crs
- Multiple US product launch scheduled in next quarter and Continued volume share gain on existing products in Europe/US to drive growth
- 9MFY24 Developed Market filings: 6 product dossiers were filed and a total of 7 approvals received (including Tentative approvals)
- Cumulatively filed 39 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 ₹ 1,800 crs, during 9MFY24; decreased by 5%. The segment performance was driven by steady ARV API and strong delivery in Oncology (+38%) compensated for decline in Other API (-23%)
- Q3 revenues decreased 9% YoY to ₹ 574 crs mainly due to transitional shipment impact and subdued pricing in Other APIs
- ARV business retained volume led steady momentum
- Constructive on Onco, partly supported from positive market dynamics; new capacity addition in progress
- Filed 341 patents out of that 223 patents granted as of Dec'23
- Filed 83 DMFs till date

CDMO-Synthesis

- CDMO-Synthesis business reported revenues of ₹ 686 crs, during 9MFY24; decreased by 65%. Q3 revenues declined by 67% YoY at ₹ 212 crs. Decline was driven from large supply contract execution last year
- Positive RFP flow continued with increased commercial opportunities for several late phase NCE projects
- 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 centre coming on line by June'24 end

Laurus Bio – Bio Division

- Laurus Bio reported revenues of ₹ 131 crs, during 9MFY24; increased by 66%. Q3 revenues increased by 91% YoY at ₹ 42 crs. Growth led by diversifying CDMO services into an expanding customer base
- Solid fermentation technology base supports expanding developmental pipeline and new strategic partnerships
- Downstream process at R2 operationalized increasing capacity by 15-20%
- New R3 site (microbial fermentation) ground broken at MYQ - Stepwise construction to start next quarter with target to operationalize Phase 1 capacity by June'26



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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JANUARY 24, 2024

Press Release