LAURUS Labs
Chemistry for Better Living

July 25, 2024

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

Dear Sirs,

Sub: **Investors / Analysts Presentation**

Please find enclosed the presentation to the Investors / Analysts on the Standalone and Consolidated Unaudited Financial Results of the Company for the Quarter ended June 30, 2024, for the Investors / Analysts call scheduled on July 25, 2024 at 05.00 PM (IST), which was already intimated on July 19, 2024.

The presentation is also being uploaded on the website of the Company i.e., www.lauruslabs.com.

Please take the information on record.

Thanking you,

Yours sincerely,

For **Laurus Labs Limited**

VENKATESWAR REDDY GOGIREDDY
Digitally signed by VENKATESWAR REDDY GOGIREDDY
Date: 2024.07.25 15:03:04 +05'30'

G. Venkateswar Reddy
Company Secretary &
Compliance Officer

Encl: As above

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Q1 - FY 2025 Financial Results

25/07/2024

Safe Harbor Statement

This presentation contains statements that constitute “forward looking statements” including and without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to our future business developments and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, such statements reflect various assumptions concerning future developments and a number of risks, uncertainties and other important factors that could cause actual developments and results to differ materially from our expectations.

These factors include, but not limited to: 1) Change in the General market and macro-economic conditions for key global markets where we operate, 2) Governmental and regulatory trends, 3) Allocations of funds by the Governments in our key global markets, 4) Successful implementation of our strategy, R&D efforts, growth & expansion plans and technological changes, 5) Movements in currency exchange and interest rates, 6) Increase in the competitive pressures and Technological developments, 7) Changes in the financial conditions of third parties dealing with us, 8) Changes in laws and regulations that apply to our customers, suppliers and Pharmaceutical industry.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of Laurus Labs Limited may vary materially from those described in the relevant forward-looking statements

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Agenda

1 Q1 FY 2025 Corporate Overview

2 Q1 FY 2025 Financial Overview

3 Q1 FY 2025 Business Review & Strategy

4 Outlook

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1

Corporate Overview

Q1 FY 2025

A new enhanced identity resonates our commitment to deliver value to patients and successively, create value for shareholders

Chemistry for Better Living

remains our guiding principle, reflecting our dedication to leverage scientific innovation and chemistry to improve the quality of lives around the world and fortify our position as a pioneer in pharmaceutical and biotechnology industry

2024 Published Integrated Report*

Innovation
Excellence
Wellbeing of all stakeholders
Sustainability

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* Includes ESG progress report

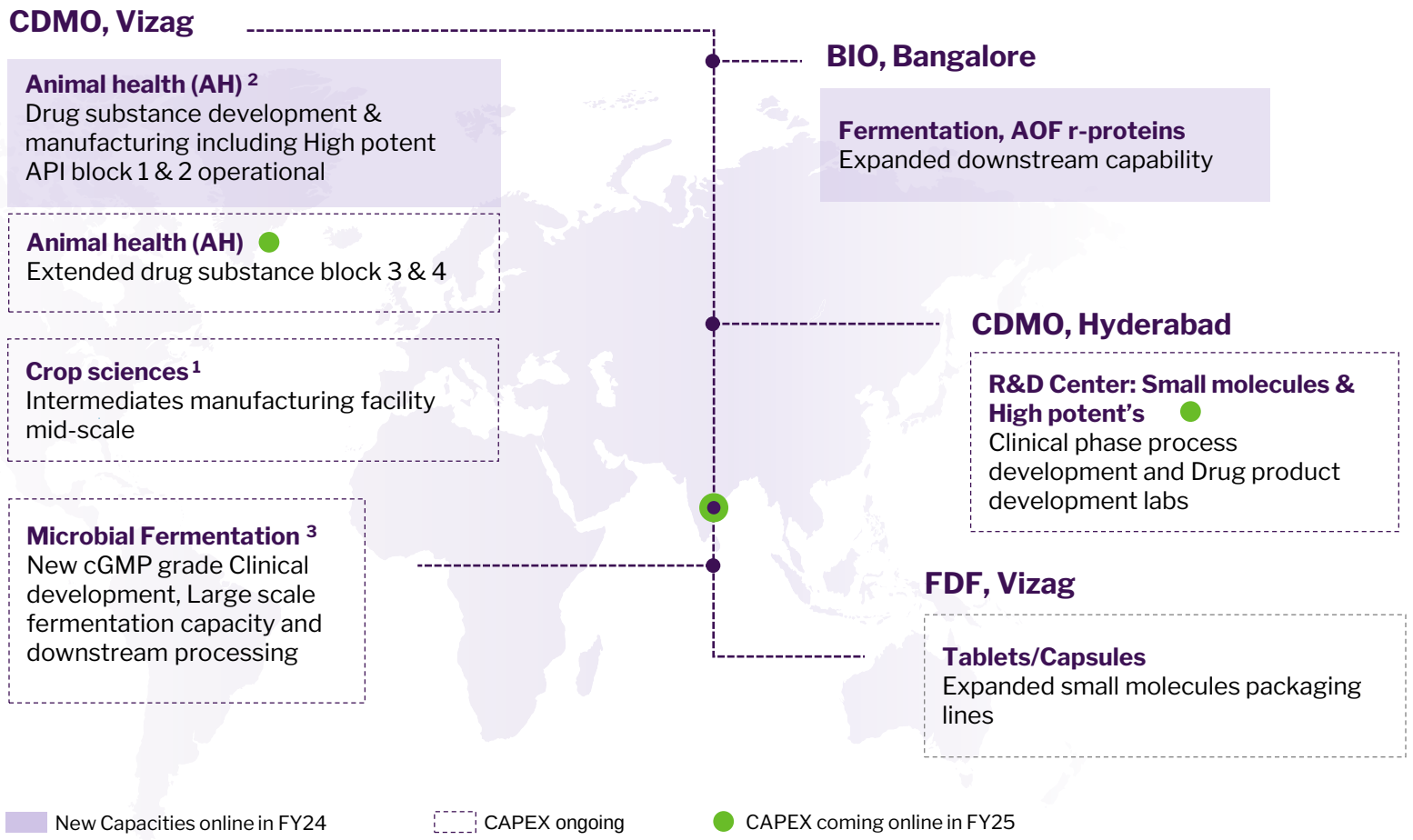
Executive Summary

- ₹ 1,195 Cr Revenues and 1% revenues growth; Soft Q1 on expected line and should pick up in H2 led by scheduled project deliveries in CDMO
- Sustained momentum in Key CDMO projects while strengthened scientific expertise
- ₹ 171 Cr EBITDA resulted in a margin of 14.3%, impact from lower asset utilization and upfront cost in growth projects
- Strong gross margins delivered at 55.1% levels, clocking improvement both Y/Y and sequentially
- CAPEX across prioritised CDMO projects continued, supporting long-term plan to deliver attractive margins and secured customer base
- FY 2025 outlook maintained; Deliver on medium to long term contracts and commercial opportunity in late-phase NCE projects along with EBITDA margins improvement

Key Updates – Q1 FY25

- Soft CDMO performance driven by significant resource allocation towards several mid/late -stage complex/high value ongoing projects while healthy order book momentum continued
- Extended granulation and formulation packaging lines to deliver CMO commitments under progress
- NexCAR-19 meets strong market interest
- 32 Quality audits in Q1: Regulatory # 4 & Customer # 28
- Establishment Inspection Report (EIR) received for API facility Unit 1 and Unit 3, indicating closure of inspection by USFDA

Update on key CAPEX projects – Assets coming online to drive growth



- Significant Microbial fermentation capacity build up commenced in Vizag
- Multiple CDMO growth projects across Hyderabad and Vizag site to enhance service capability in D&M
- Extension of Granulation and Formulation packaging lines to deliver CMO commitments
- Q1 CAPEX reported at ₹ 125 Cr; 10% of Revenues

[1] Exclusive Ag-chem facility built on track – Multi year Development and manufacturing contract already signed
[2] Animal Health drug substance manufacturing facility build is on track and MB1/MB2 already operational from Dec 2023 – Capacities almost fully contracted
[3] Target Phase 1 operational by June'26

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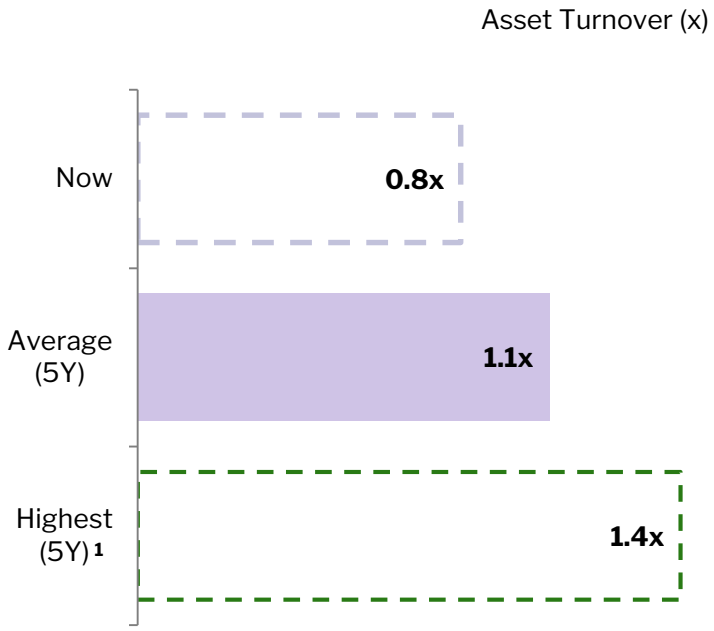
Commercial CDMO and growth project ramp-up to improve Assets utilization

Growth investments prioritized with attractive return and secure customer base

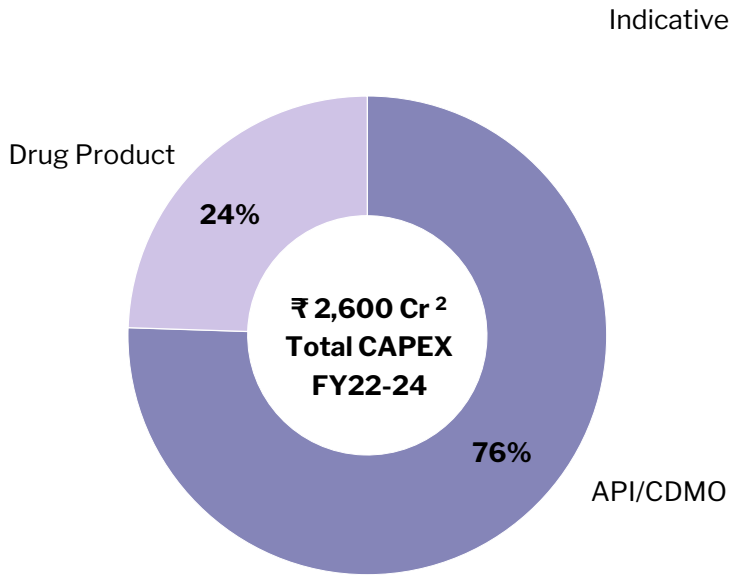
- CDMO late phase molecule delivery in H2
- New Long-term CMO agreement signed in FDF; significant CAPEX funded by Customer w/supplies commencing in FY27

~80% growth CAPEX across diversified growth and expansion of CDMO platform

Targeting Average asset turnover levels over next 3 years



Significant allocation in high return API/CDMO projects supported by integrated DP capability



1 Indicates Maximum capacity absorbing plant maintenance for period FY22-24
2 Cumulative Net addition including CWIP, Land, ETP and plant maintenance

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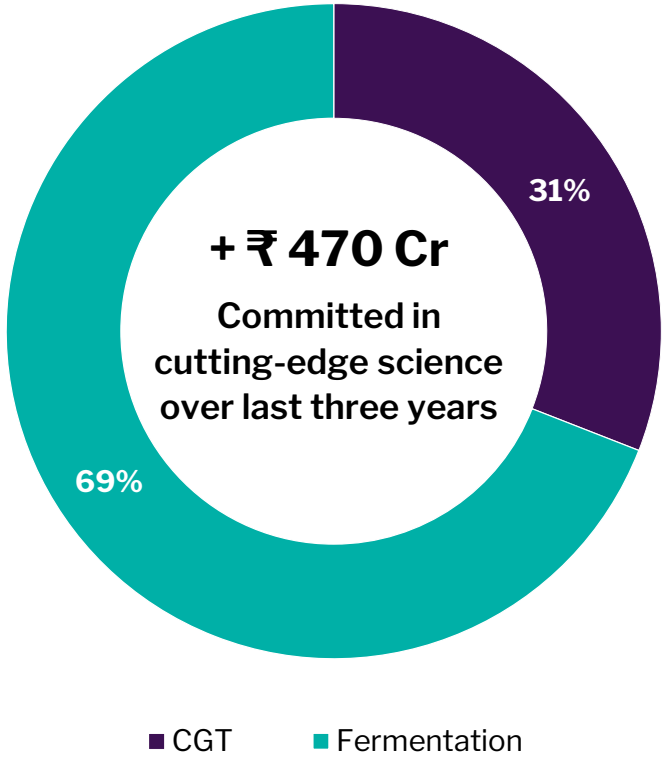
Transformative technology investments – Key updates

Cell and Gene therapy (CGT)

- NexCAR-19 meets strong market interest – delivered >150 infusions and expanding collaboration with >60 leading oncology centers
- Preparation for BCMA[1] to enter Clinical phase on going
- 2nd GMP CAR-T facility build on track– operational from mid next year while 28,000sft GLP lab (Vectors/Gene products) Phase 1 expected to be delivered by end of FY25

Fermentation technology

- More partners exploring greener and lower cost enzyme catalytic synthesis routes. Working on 10+ Bio catalysis project
- Ground breaking of large scale commercial fermentation capacity (cGMP grade) in Vizag– operational from FY27
- R&D partnership with Willow Bioscience for novel routes for steroids and hormonal APIs



[1] Indication for relapsed refractory r/r Multiple Myeloma

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Growing network of 'D+M' Sites with increasing Capacities across 14 Sites

India, Visakhapatnam

Unit-1, Parawada
1,279 KL A C

Unit-3, Parawada
2,318 KL A R

Unit-5, Parawada
161 KL ^ C

A F
Unit-2, Atchutapuram
10Bn[1] units, 89 KL

Unit-4, Atchutapuram
1,959 KL A C

Unit-6, Atchutapuram
1,479 KL A

LSPL-1,Parawada
139KL A C

LSPL-2, Atchutapuram
283 KL[1] C

India, Hyderabad

Sriam, **81 KL** A

A C R
Kilolab, **4.5 KL**

New R&D Center [2] R

Bangalore

R1, **15 KL** B R

R2, **225 KL** B

Kanpur

Gene Therapy R

Europe

Winchester, UK M
Hamburg, Germany M

U.S

Berkeley Heights, NJ M

A API/Drug substance **8** | C CDMO inclusive **6** | F FDF/DP **1** | B Bio-Ingredients **2** | R R&D **5** | M Marketing

7,750+ KL ↑ 4x vs FY16
Total Reactor volumes

10 billion ↑ 5x vs FY16
Drug Product

240 KL ↑ 18x since FY21
Fermentation

^ Hormone and Steroid facility
1 Site under expansion, 2 Under construction with total area 200,000sft - to be opened in FY25

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Financial Overview

Q1 FY 2025

Financial Performance 1Q/FY25

1Q/FY25 Consolidated Financials

[₹Crore]	4Q/FY24	1Q/FY25[1]	1Q/FY24	Y-o-Y	Q-o-Q
Revenues	**1,440**	**1,195**	**1,182**	***+1%***	***-17%***
Gross Margins	*49.8%*	*55.1%*	*50.6%*	*+4.5%*	*+5.3%*
EBITDA	**259**	**171**	**168**	***2%***	***-34%***
% to Revenues	*18.0%*	*14.3%*	*14.2%*	*+0.1%*	*-3.7%*
PBT	107	18	41	*-56%*	*-83%*
Net Profit	**76**	**13**	**25**	***-48%***	***-83%***
% to Revenues	*5.3%*	*1.1%*	*2.1%*		
EPS	**1.4**	**0.2**	**0.5**	***-60%***	***-86%***

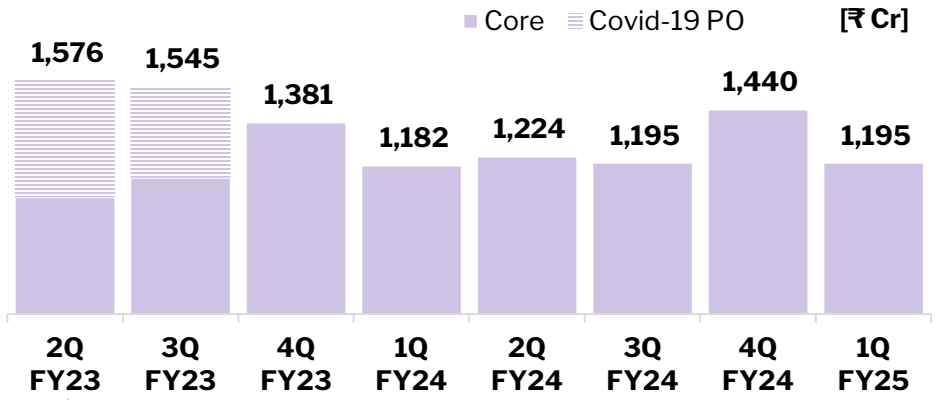
Comments

- Revenues : ₹ 1,195 Cr, increased 1% Y/Y, driven by growth in API (Onco led) and firm demand in ARVs offset by subdued delivery in CDMO
- Gross Margins : 55.1%, increased by 450 bps Y/Y and 530 bps Q/Q due to product mix
- R & D spends reported at ₹ 64 crs (5.4% of Revenues) including CGT spends
- EBITDA : ₹ 171 Cr, increased by 2% Y/Y but decreased by 34% Q/Q
- EBITDA Margins : 14.3%, increased 10 bps Y/Y but decreased 370 bps Q/Q, due to lower asset utilization and dilution from growth projects
- Spend on New Initiatives (CGT, Animal Health) was ₹ 14.5 Cr
- Net Profits : ₹ 13 Cr, decreased 48% Y/Y and decreased 83% Q/Q

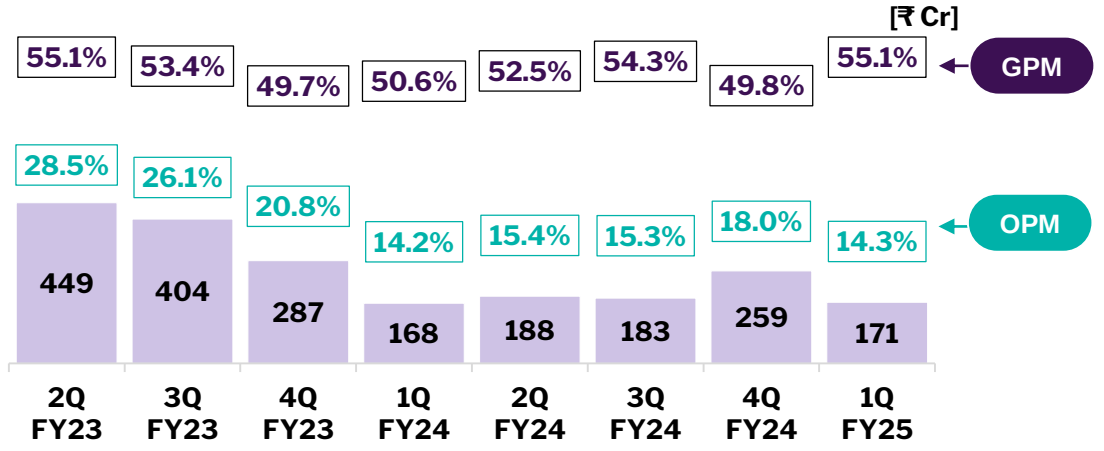
1 Q1 FY25 results includes i) Cell & Gene related spends of ₹ 2.5 Cr under R&D expenses, ii) LSPL Unit 2 animal health expenses ₹ 12 Cr

Summary Quarter Performance

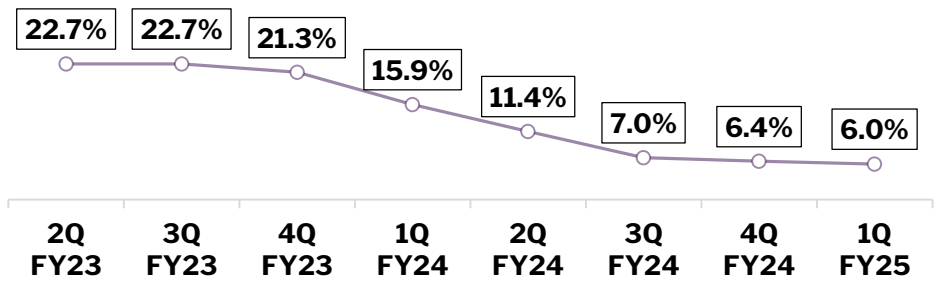
Revenues



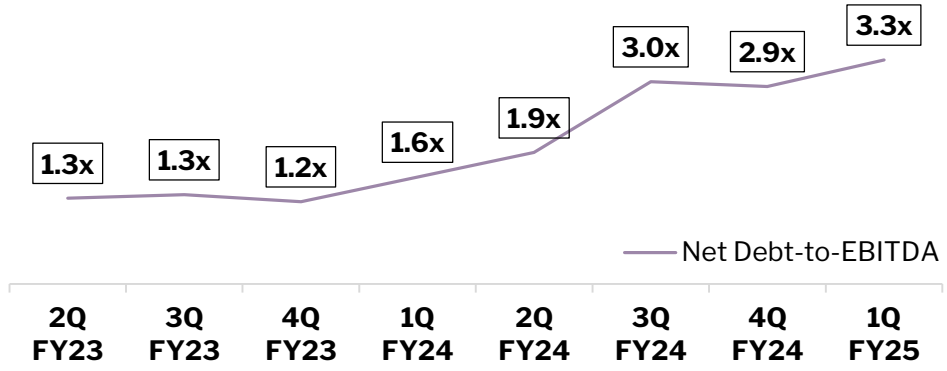
EBITDA & Gross Profit Margins



RoCE (ttm EBIT/Capital Employed)



Net Leverage (Net Debt/ ttm EBIDTA)



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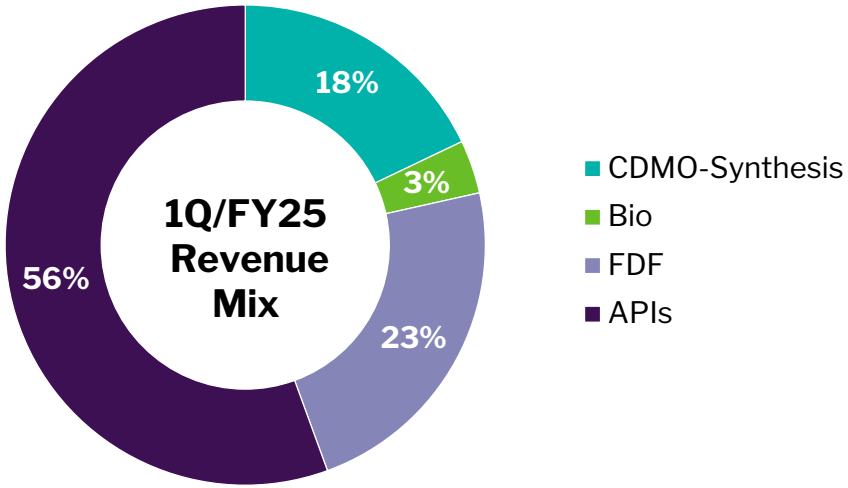
Business Review & Strategy

Q1 FY 2025

Business Performance 1Q/FY25

1Q/FY25 Divisional Revenue Performance

[₹ Crore]	4Q/FY24	1Q/FY25	1Q/FY24	Y-o-Y	Q-o-Q
CDMO-Synthesis	236	214	250	-14%	-9%
APIs	745	664	597	11%	-11%
FDF	430	274	285	-4%	-36%
Bio	29	43	50	-14%	48%
Total Revenues	1,440	1,195	1,182	1%	-17%



CDMO-Synthesis:

Decline (-14%) on expected lines with prioritised resourcing for complex projects in early phases. Scheduled deliveries for key late phase NCE projects in Q4 driving FY25 outlook. Healthy order book flows continued and growth projects progressing in line with plan

APIs:

Over 10% growth, supported by strong Onco (+120%) and healthy ARV volumes. Other API were in line (+6%) amidst challenging price environment. Continued focus on expanding customer product pipeline and cost efficiency

Formulation (FDF):

Growth mainly impacted by lower ARV volumes (-20%) offsetting good growth in Developed market portfolio (+25%). Recent US launches/approvals to benefit in coming quarters.

Bio:

Stable quarter with healthy traction in CDMO service. Positive demand dynamic in Bio-offering continued and Several strategic customers for longer term collaboration under discussion

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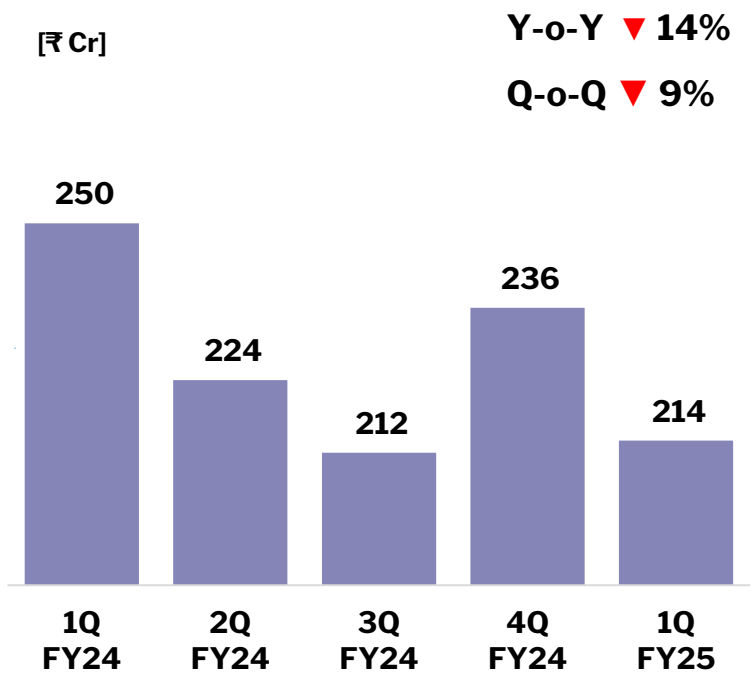
CDMO Synthesis – Q1 inline; Committed deliveries driving Full year growth outlook

Revenue Growth



Comments

- Soft growth on expected lines driven by significant resource allocation towards delivering multiple high value complex programs in early/mid/late phases, reflects client confidence in our wider technology platforms and capacity (Hydrogenation, Flow chemistry, Biocatalysis, and large commercial capacity)
- Committed to healthy growth outlook, supported by scheduled project deliveries for key late phase NCE projects in Q4
- Significant increase in the interest from new customers, momentum in RFP continued from Big pharma & large biotech's
- Over 70 active projects, ongoing commercial supplies for about 10 products, including APIs, as well as several intermediates

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CDMO Synthesis – Other key updates

- Working on over 20 active projects (across value chain) in Animal health and Crop Protection chemicals; commercial validation supplies ongoing
- Key growth CAPEX projects progressing in line with plan; Animal health facility [1] under early ramp-up phase, R&D center (small molecules & High potent) coming on line from next quarter (slightly delayed from June due to associated complexity), Crop protection intermediate facility [2] qualification targeted by end of FY25

[1] Animal Health drug substance manufacturing facility (LSPL-U2) build is on track. MB1/2 already under ramp-up phase (operational in Dec 2023), MB3 to come online next quarter and MB4 under buildup phase – Capacities almost fully contracted

[2] Multi year Development and manufacturing contract already signed

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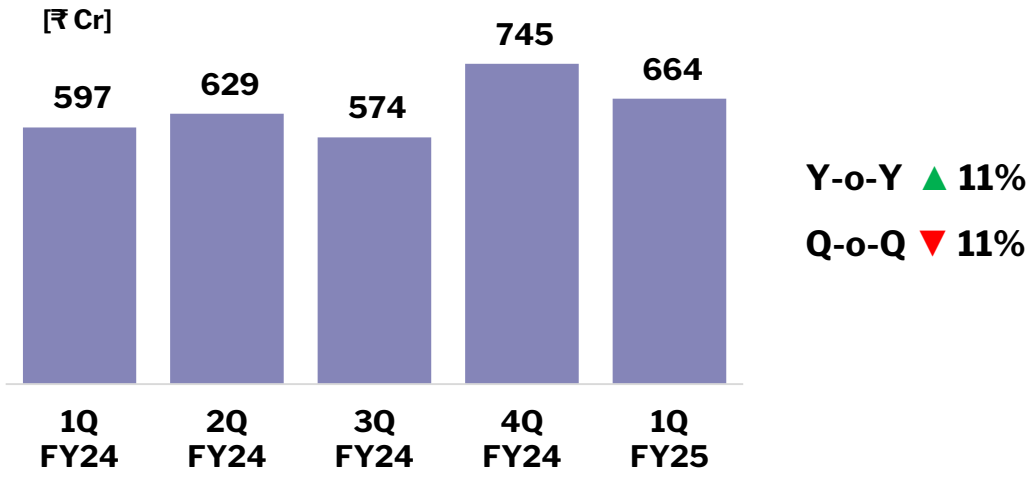
API – Growth of +10%, supported by strong Onco delivery and ARV resilience

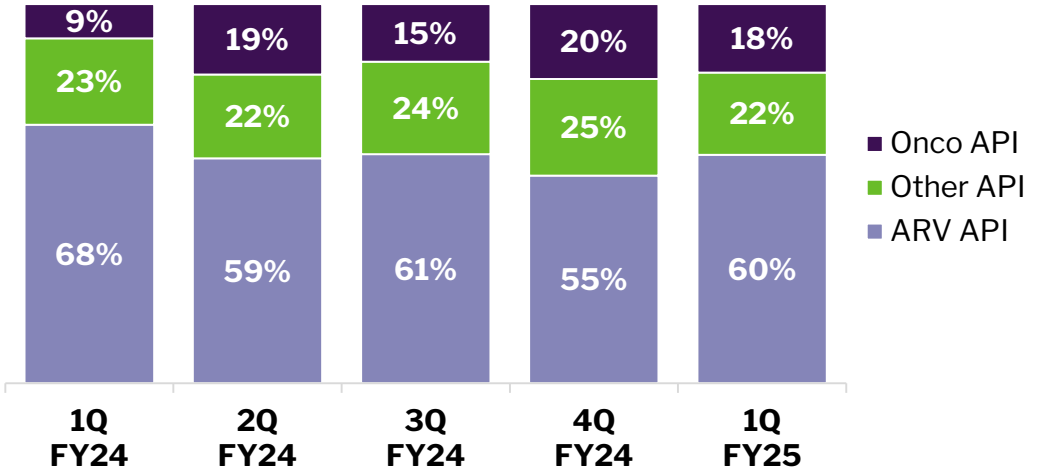
Revenue Growth



Y-o-Y ▲ 11%

Q-o-Q ▼ 11%

API Sales mix



Comments

- Strong Oncology delivery (+120%) and firm demand in ARVs along with in-line Other API (+6%) driving Y/Y growth. Overall sequential decline due to timing of shipments particularly in Other API
- Pricing dynamics across ARV product basket stable but a bit subdued for broader API portfolio
- Working towards expanding customer product pipeline and CMO engagement
- Clear cost leadership focus in key APIs and Increasing efficiency to mitigate inflation, price pressures

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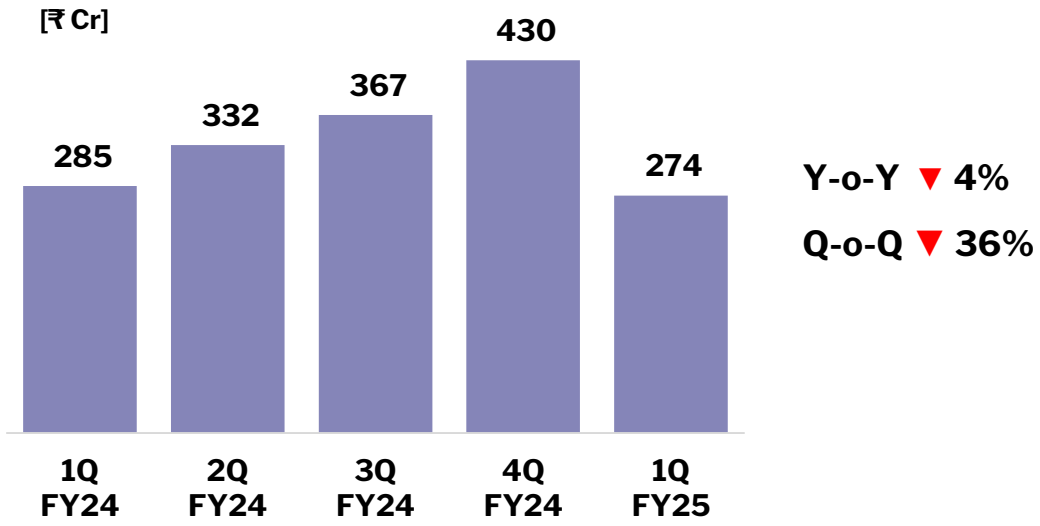
FDF – Temporary weakness; Recent US approvals gearing up for launches

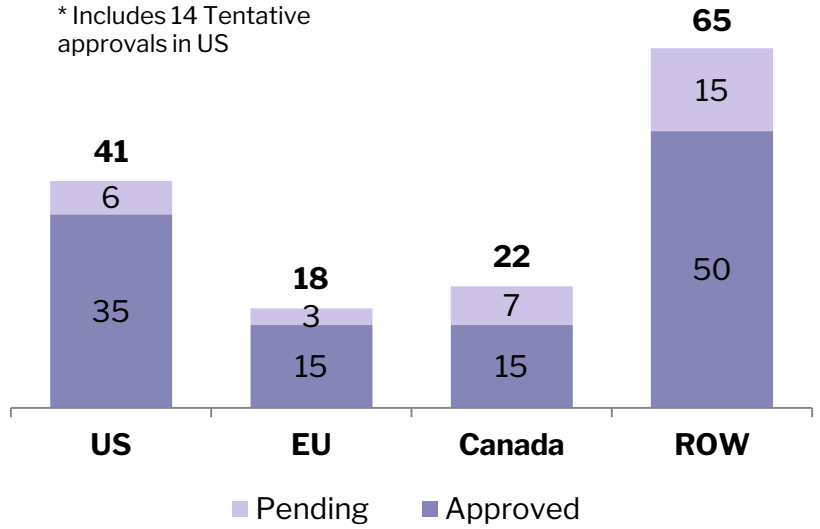
Revenue Growth



Y-o-Y ▼ 4%

Q-o-Q ▼ 36%

Global Filings



Comments

- Declined 4% due to lower volume offtake in ARV business. Developed market delivered good growth despite pricing pressure in US. ARV pricing environment largely stable
- Anticipated Full year utilization pick up in line, supported by recent ANDA approvals
- Increasing batch size for key product to service additional market and improve efficiency
- Q1FY25 Developed market filings: 1 product dossiers filed and a total of 4 approvals received (including Tentative approvals)

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Other updates including JV

Signed new multi-year Customer agreement

- Significant CAPEX funded by Customer
- Granulation and formulation packaging line enhancement under progress - Expanded lines to go on stream in next 12-18 months

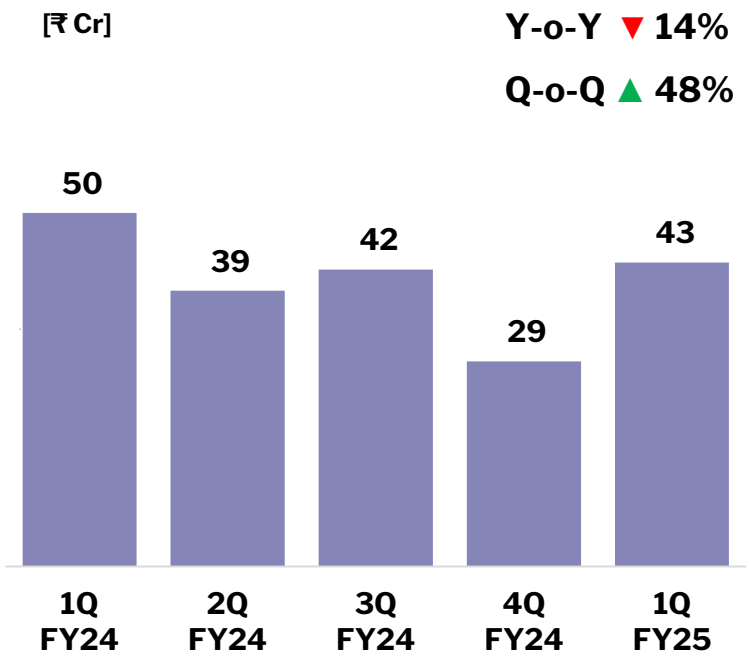
KRKA JV update [1]

- JV company incorporated in April 2024
- To address immediate capacity needs, expansion of Oral Solids facility initiated in existing Vizag site including large batch sizes commercial production
- JV focus to deliver synergies and extend our product portfolios and enter new markets

[1] On 25 January 2024, Laurus signed an agreement with KRKA, an international generic pharmaceutical company in Slovenia to establish a joint venture, Krka Pharma Pvt. Ltd., in Hyderabad, India. Under the agreement, Laurus Lab holds a 49% stake and Krka a 51% stake in the new company

BIO – Continued positive market demand

Revenue Growth



Comments

- Delivered stable Q1, positive market demand dynamic in Bio-offering continued
- Strong growth in our enzyme engineering and production for small molecule, clinical and commercial API projects
- Continued to see good interest in the market for our newly introduced AOF products
- Initiated discussion with several strategic customers for longer term CDMO collaboration
- Good progress on R2 unit optimisation, on track to deliver peak revenues during current year
- Commercial fermentation capacity (Vizag) built up on track

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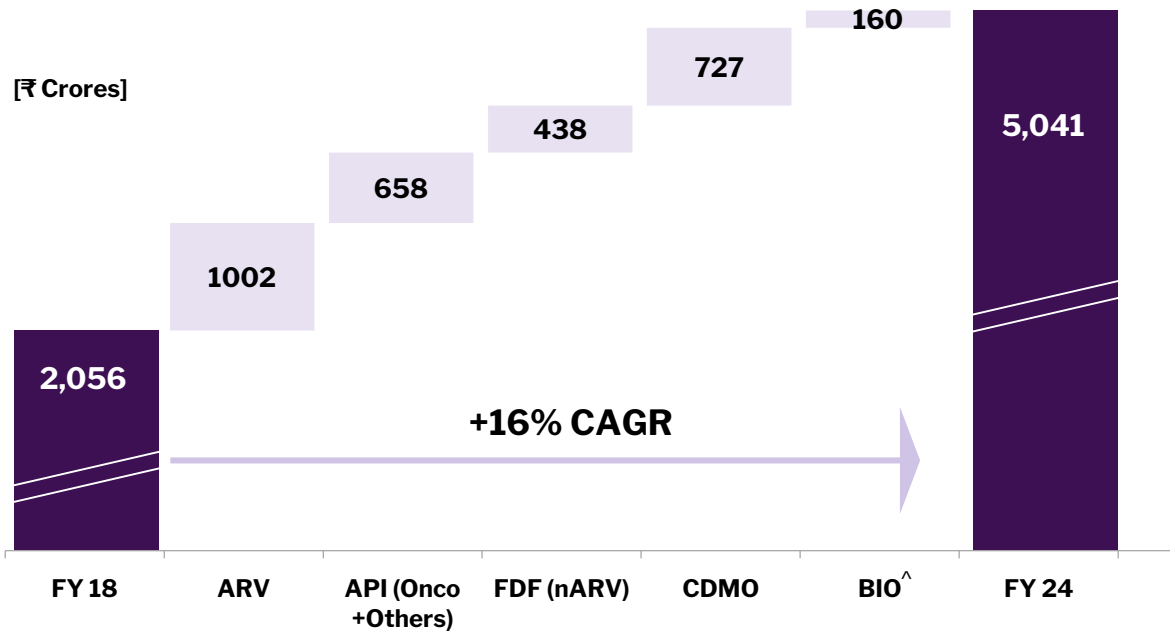
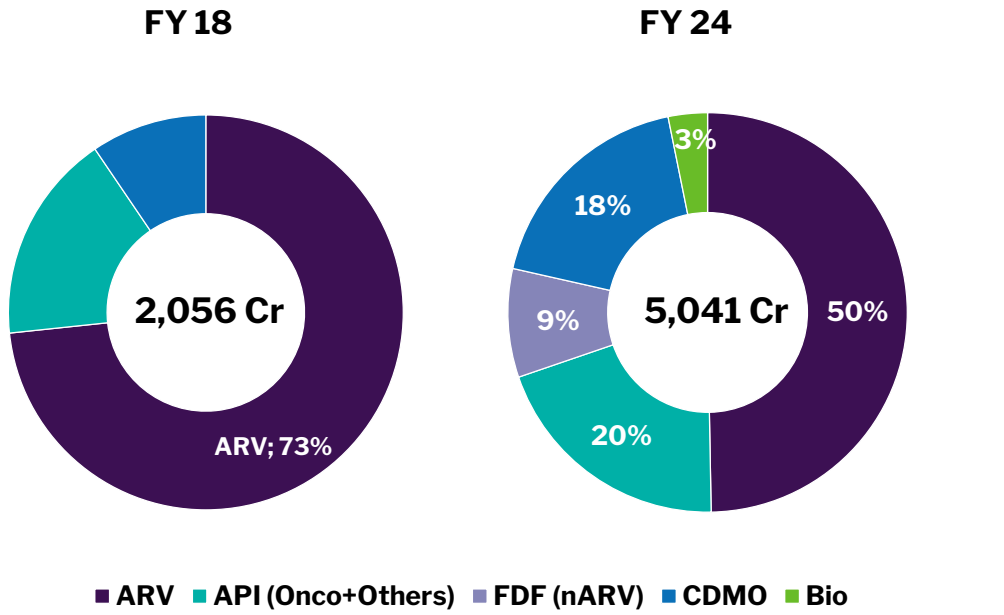
Diversifying underlying business growth, backed by Integrated model

Healthy revenue growth through robust model



Continued diversification of our business mix



^ Reflects revenues since acquisition of Laurus Bio in Feb 2021

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Expanding R&D capabilities - Delivering on customer focused sustainable solution

Technology advancements

Commercial scale Continuous flow reaction qualified (CFR)

Expanding CFR capability into additional units

Expanded flow PD capability at R&D scale (Fixed Bed Reactor)

Continue to employ CFC process to minimize carbon footprint

7+ ongoing Continuous Flow Reaction projects

10+ ongoing Biocatalysis project

Multiple ER^2 FDF projects under development

Pivotal R&D platform

Growing Focus on small molecules

2471 Scientist & Quality Team

1138 R&D Scientist

232 Patents Granted

82+ DS/DP launches

Process science

Qualified alternate flow-techniques (plug-flow & micro channel) for the Gas-Liquid process to support NCE projects

Developed bio-catalysis process for 7+ chemical-catalysis stages of commercial / developmental projects

100+ R&D project* supported in FY24

Targeted cost savings in ARVs achieved ensuring global leadership

100% biomass based new boiler technology under implementation stage

* DS/DP together , 1 Extended Release

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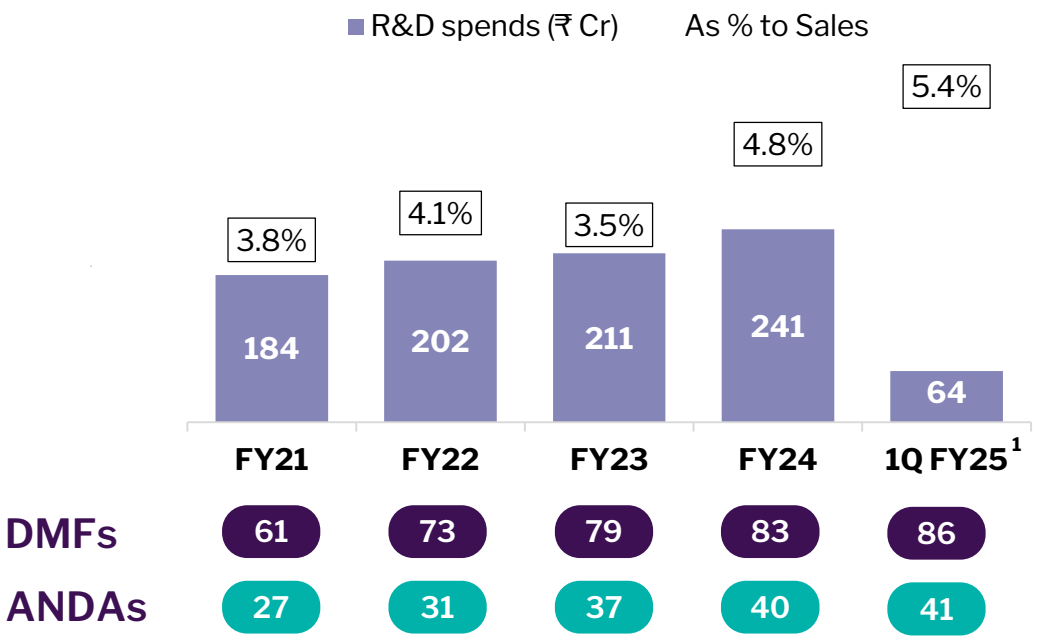
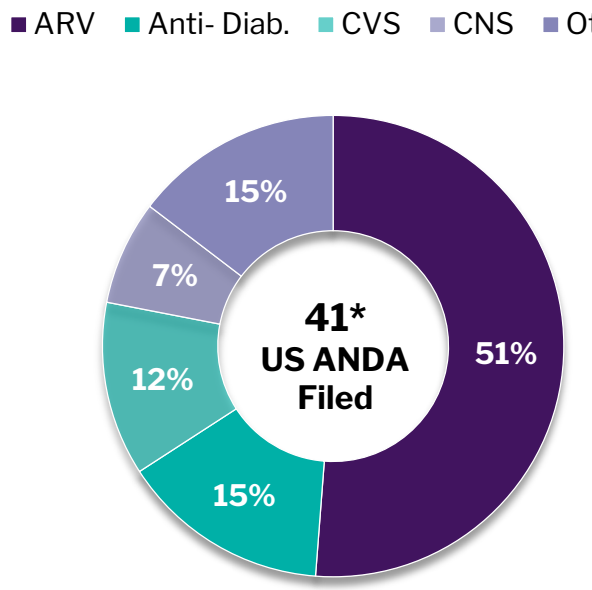
R&D – Focused approach to pipeline built up have continued

Investing in Portfolio with Product Specific Approach based on Complexity and Scale to continue



Diverse pipeline with 80 product filings and 65^ approvals across US, Canada and EU



* Includes 17 Para IV filings of which 11 are FTFs
Additionally, We have a total of 18 filings in Europe & 22 in Canada

[1] Q1FY25 results includes CGT related spends of ₹ 2.5 Cr, ^ Includes Tentative approvals

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Proven track record of Global standard Quality systems

1140+ Quality audits & Inspection Global Customers, Regulatory Authorities since inception

50+ Inspection passed by major Regulators (US FDA, WHO, EU EMA, and Japan PMDA)

Q1FY25 update

- 32 Quality audit in Q1: Regulatory # 4 & Customer # 28
- Establishment Inspection Report (EIR) received for API facility Unit 1 and Unit 3, indicating closure of inspection by USFDA

"One Quality Standard for all Markets"

		Last US FDA inspection		
Key Facilities	**Key Regulatory Certifications**	**Date**	**# audits (since inception)**	**EIR Status**
Kilo Lab – R&D	USFDA, TGA, KFDA, PMDA, ANVISA - Brazil	2021	4	✓
Unit 1	USFDA, TGA, MHRA, WHO-Geneva, PMDA, ANVISA	2024	7	✓
Unit 2	USFDA, WHO-Geneva, EMA	2023	5	✓
Unit 3	USFDA, WHO-Geneva, JAZMP-Slovenia, ANVISA	2024	5	✓
Unit 4	WHO-Geneva, USFDA	2019	1	✓
Unit 5	USFDA	2022	1	✓
Unit 6	USFDA	2018	1	✓

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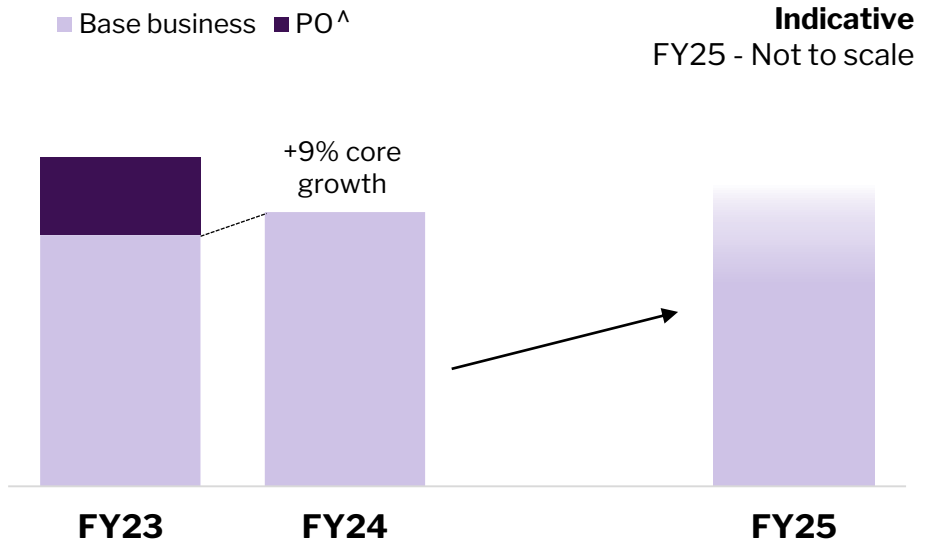
4

Outlook

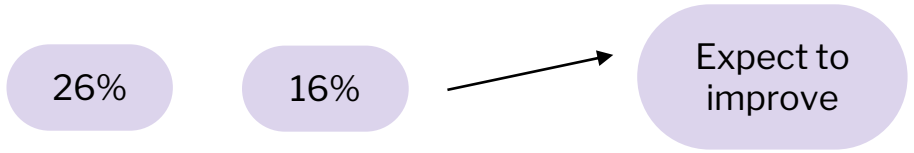
Reaffirming FY 2025 Outlook

- Growth in FY 2025 driven by:
  - Leverage recognized platform capabilities to deliver Medium to long term contracts and commercial opportunity in late-phase NCE projects + Ride on positive Industry outlook
  - Growth Projects ramp-up & new assets coming online
  - Offsetting pricing headwinds in parts of API portfolio
- EBITDA margins improvement, supported by better asset utilization & productivity gains while continuing new initiatives
- Prioritising CAPEX into high value and Growing market segments
- Improvement in Net debt leverage and Working Capital

Revenues



EBITDA Margins %



^ Material Purchase Order (PO) supplied to Big Pharma in FY23: ₹1,424Cr

LAURUS Labs
Chemistry for Better Living

Earnings call details

Laurus Labs Results Conference Call to be held on Thursday, 25 July 2024 at 5:00 PM IST

Dial – In – Details	
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

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LAURUS Labs
Chemistry for Better Living

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.

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