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August 2, 2019

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


**Sub: Press Release**

Please find enclosed herewith the Press Release on the Financial Results for the Quarter ended June 30, 2019.

Please take the information on record.

Thanking you,

Yours sincerely,  
**For Laurus Labs Limited**

  
**G. Venkateswar Reddy**  
Company Secretary



*Encl: As above*

# FORMULATIONS REVENUE CROSSED INR 1,000 MN IN Q1 FY20

Q1 FY20 Revenues up 2 %

Q1 FY20 EBITDA margins stood at 16 %

Q1 FY20 PAT margins stood at 3 %

**Hyderabad, August 2, 2019:** Laurus Labs Ltd. (Laurus BSE: 540222, NSE: LAURUSLABS, ISIN: INE947Q01010), a leading research and development driven pharmaceutical company in India announces its Q1 FY20 results.

## Q1 FY20 Laurus reported:

- Total net revenue INR. 5,506 mn
- EBITDA INR 870 mn, margins at 16 %
- PBT at INR 194 mn
- PAT at INR. 151 mn
- EPS (Diluted) for the period at INR. 1.4 per share (not annualised)

## Commenting on the results announcement, Dr. Satyanarayana Chava - CEO said;

*"We have started the financial year by achieving a major milestone; we executed a major order worth ~ INR 798 mn in our Formulations business for LMIC. We expect to execute similar value orders in coming quarters as well. Also, we are seeing good traction in North America & Europe in our Formulations business. Our API Generics business witnessed a slowdown mainly because of lower ARV and Hep C API sales. As there is a shift in the treatment regimen, and new tender in South Africa we are witnessing a deferment in off-take from key customers, we have visibility to recoup growth from second quarter onwards and hence, we remain confident of maintaining growth trajectory in the Generic API business for FY20.*

*On the regulatory side, we have successfully completed the USFDA audit for Unit 1 & 3, with 2 procedural observations and Unit 4 successfully completed its maiden USFDA audit with Zero observations. We remain committed to highest level of Compliance & Quality. I am very confident that FY 20 will have a significant improvement in Margins & PAT. "*

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

*"Our Total Revenues from Operations came in at ~INR 5,506 mn. During the quarter we have seen improvement in Gross Margin profile mainly led by improved product mix. However, our EBITDA margins were impacted mainly because of lower revenue and higher expenditure related to ramp up in production activities and higher Insurance cost. All our new units have started contributing from Q1 FY20, we expect higher contribution from these units to result in better Revenues and Margins in FY20. With major CAPEX behind us our focus solely remains on improving return ratio as we work towards achieving FCF positive status from FY21."*

**Business Highlights:**

**Overall**

- Total Income at INR 5,506 mn in Q1 FY20 growing by 2 % (Y-o-Y)
- R & D spent of INR 418 mn and 7.6 % of sales in Q1 FY20.

**Generic FDF**

- Executed a major Milestone order worth INR 798 mn in Q1 FY20 for LMIC, expecting similar business opportunity in coming quarters of FY20
- Pregabalin Launched in US market in Q1 FY20
- Dolutegravir Sodium tentative approval by USFDA under PEPFAR
- 5 ANDAs approved and 3 Tentative Approval
- 4 formulation products validation completed apart from filling of 20 ANDAs & NDA
- FDF Opex of INR 429 mn which includes INR 163 mn related to the R&D

**Generic API**

- Filed 244 patent applications and 86 patent granted as on June 30, 2019
- Capacity expansion completed for Lamivudine.
- Unit VI completed USFDA Inspection – EIR Received
- Unit IV successfully completed its Maiden USFDA Inspection with Zero Observations
- Units 1 & 3 underwent USFDA inspection – receiving 2 procedural observations

**Synthesis & Ingredients**

- Commenced commercial supplies from Unit 5 for ASPEN
- New Business opportunities from Innovator/Pharma companies will accelerate further growth.
- Initiation of Integrated service offering (Drug Substance and Drug Product)
- Have commercialized 2 projects

*-ENDS-*

### About Laurus Labs Limited

Laurus Labs is a leading research & development driven and fully integrated pharmaceutical company in India. The Company has grown consistently to become one of the leading manufacturers of Active Pharmaceutical Ingredients (APIs) for anti-retroviral (ARV) and Hepatitis C. Laurus also manufactures APIs in Oncology and other therapeutic areas. Its strategic and early investments in R&D and manufacturing infrastructure have enabled it to become one of the leading suppliers of APIs in the ARV therapeutic area. The company has also ventured into develop a Finished Dosages Forms on the back of existing strengths in APIs with a current capacity of 5 billion units per year, expandable up to 8 billion units per year. The Company is also driving growth opportunities in the Synthesis and Ingredients businesses. **Corporate Identification No: L24239AP2005PLC047518.**

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

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**DISCLAIMER:** 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.