

Laurus Labs Limited
Corporate Office
2nd Floor, Serene Chambers, Road No. 7
Banjara Hills, Hyderabad - 500034, Telangana, India
T +91 40 39804333 / 2342 0500 / 501
F +91 40 3980 4320



November 1, 2018

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
--	---

Dear Sirs,


Sub: Press Release

Please find herewith the Press Release of the Results of the Quarter and Half Year ended September 30, 2018.

Please take the information on record.

Thanking you,

Yours sincerely,
For Laurus Labs Limited


G. Venkateswar Reddy
Company Secretary



LAURUS LABS RECORDED 11% REVENUE GROWTH IN H1 FY19

H1 FY19 Revenues up 11%

H1 FY19 EBITDA margins stood at 15%

H1 FY19 PAT stood at INR 328 mn

Hyderabad, November 01, 2018: Laurus Labs Ltd. (Laurus BSE: 540222, NSE: Lauruslabs, ISIN: INE947Q01010), a leading research and development driven pharmaceutical company in India announces its Q2 & H1 FY19 results.

Q2 FY19 Laurus reported:

- Total net revenue stood at INR. 5,883 mn
- EBITDA stood at INR 862 mn, margins came in at 15%
- PBT at INR 218 mn
- PAT at INR. 162 mn
- EPS (Diluted) for the period at INR. 1.5 per share (not annualised)

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

"We continue to maintain strong growth momentum in all our businesses, clocking 11% revenue growth in H1 FY19. The demand for our products remains strong with ARV API volumes improving, along with improved contributions from HEP-C, Synthesis and Oncology. The raw materials prices from China remained a challenge; despite this we have seen improvement in our gross margins on sequential basis. We initiated backward integration for key ARV API products in the previous quarter and I am happy to inform that company will be completing during Q3 backward integration of a key intermediate for ARV and we expect gross margin improvements from Q3 FY19 onwards.

We are highly optimistic on our emerging market FDF business as ARV tender business remains forefront of our formulations strategy. We will be filing TLE (Tenofovir, Lamivudine and Efavirenz) a combination product in Nov 18 and by Dec 2019 we expect to have complete filing registrations for key products in 1st and 2nd line ARV therapy. Commercial production of a product began in Oct 18 under Contract manufacturing for a European customer. Renegotiated partnership with DRL and Rising Pharma and reduced products to 7 from 18. With this optimism we continue to invest in our FDF business. Going forward we expect to improve our gross margins and profitability on the back of higher growth in FDF businesses."

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

"Total Revenues in H1 FY19 grew by 11% and for the quarter growth came in at 9%. During the quarter we witnessed all round revenue growth in our business segments. A better product mix helped us improve our gross margins. However, our profitability was lower mainly because higher FOREX loss of INR 22.2 crs (Unrealised 21.5 crs), higher filing and development related expenditure which came in to the tune of INR 14 crs and higher raw materials prices procured from China. With our exports growing we expect our FOREX losses will be minimised in coming quarters. With growing contributions from Synthesis and FDF businesses, in house manufacturing of certain intermediates and we expect to reap benefits from significantly underutilized capacities and operating leverage."

Business Highlights:

Overall

- Total Income at INR 11,273 Mn during the H1 FY19 (Y-o-Y) grown by 11 % and INR 5,883 Mn during quarter grown by 9% Y-o-Y.
- R & D spent of INR 794 Mn and 7 % as percentage of sales during H1 FY19.

Generic API

- Filed 230 patent applications and 69 patent granted as on Sept 30, 2018
- Capacity expansion completed for Lamivudine.
- USFDA inspection scheduled for Unit VI from 29th October 2018

Generic FDF

- Tenofovir (TDF) ANDA rights transferred to CASI Pharma for a consideration of ~\$3 Mn of which ~\$2 Mn will be received by March 2019 based on Milestone Payments. Laurus continues to sell TDF in other countries.
- 3 product validations completed for formulation apart from filling of 16 ANDAs
- FDF Opex of INR 814 Mn which includes INR 437 Mn related to the R&D during H1 FY19.
- Successfully completed JAZMP (Slovenia Regulatory Authority) audit for European Supplies and commercial production for contract manufacturing started in October 2018.

Synthesis & Ingredients

- Strong pipeline of new business opportunities from Innovator/Pharma companies will fuel further growth.
- Initiation of commercial supplies to an innovator's NDA filing in Q2
- Initiation of Integrated service offering (Drug Substance and Drug Product)

General

- Laurus Labs bags the Pharmaexcil Outstanding Exports Award 2017-2018 in Pharmaceutical Sector.
- Laurus Labs bags API Supplier of the year award at Global Generics and Biosimilars Awards 2018.

-ENDS-

About Laurus Labs Limited

Laurus is a leading research and development driven 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. Initiatives are in place to develop Finished Dosages Forms capabilities on the back of existing strengths in APIs. 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:

Pavan Kumar N

Laurus Labs Ltd.

Tel: +914039804380/+919246564666/7337353848

Email: mediarelations@lauruslabs.com

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.

