

Press Release

FOR IMMEDIATE RELEASE

25 JULY, 2024

Laurus Labs Announces Q1 FY25 Results

Revenues at ₹ 1,195 Cr; EBITDA at ₹ 171 Cr

Hyderabad, July 25, 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 Q1 FY25 results.

Financial Summary

[₹ Crore] except EPS amounts	1Q/FY25	1Q/FY24	Y-o-Y
Revenues	1,195	1,182	1%
Gross Margins	55.1%	50.6%	+4.5% pts
EBITDA	171	168	2%
EBITDA Margins	14.3%	14.2%	+0.1% pts
PBT	18	41	-56%
Net Profit	13	25	-48%
EPS (Diluted)	0.2	0.5	-60%

Dr. Satyanarayana Chava, Founder & Chief Executive Officer commented;

“We have begun FY2025 on a positive note, sustaining momentum in our key CDMO clinical projects and demonstrating resilience in financial health. We are leveraging power of our comprehensive technology platform & commercial excellence to advance manufacturing of several clinical programs and maximising the value impact of our integrated model. Q1 results are on expected lines, supported from strong growth in Oncology API and firm demand in ARV offset by slightly subdued performance in other divisions. We have important opportunities ahead of us especially within CDMO division, and we are highly focused on allocating resources and realising them starting H2. Our commitment to disruptive technology in CGT space continued to do well. My confidence is strong and growing that we are taking right step to best position the company for value creation this year and well into future.”

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V V Ravi Kumar, Executive Director & Chief Financial Officer commented;

“We delivered ₹ 1,195 Cr in revenues, representing 1% growth, and ₹ 171 Cr EBITDA, resulting to 14.3% margin. While we continue to clock Gross margins of 55.1% during the quarter, the operating results was mainly affected from prioritised resource allocation into delivering several clinical phase complex projects partly causing lower asset utilization, quarter to quarter order cyclicalities and dilution from growth projects. We expect performance to pick up mostly from H2, supported by on hand project deliveries. We remain committed to FY2025 outlook and our key CAPEX projects into high value business segments is advancing well to drive medium and long term growth.”

Divisional Revenue Performance

[₹ Crore]	1Q/FY25	1Q/FY24	Y-o-Y
CDMO-Synthesis	214	250	-14%
APIs	664	597	11%
FDFs	274	285	-4%
BIO	43	50	-14%
Total Revenues	1,195	1,182	1%

Summary Highlights:

- In Q1FY25 Laurus delivered ₹ 1,195 Cr Revenues and 1% revenues growth, Softer Q1 performance in-line and is expected to pick up through H2
- Sustained momentum in Key CDMO project delivery 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

Divisional Highlights:

CDMO Synthesis

- CDMO-Synthesis business reported revenues of ₹ 214 Cr, during Q1FY25; decreased by 14% Y/Y. Soft growth on expected lines driven by significant resource allocation towards delivering multiple high value complex programs in early/mid phase, reflects client confidence in our wider platform capability
- 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 advanced intermediates
- Key growth CAPEX projects progressing in line with plan; Animal health facility under early ramp-up phase, R&D center coming on line from next month, Crop protection intermediate facility qualification targeted by end of FY25

API

- API business reported revenues of ₹ 664 Cr, during Q1FY25; increased by 11%. The segment performance was driven by strong Oncology delivery (+120%) and firm demand in ARVs along with in-line Other API (+6%)
- Overall sequential decline was due to timing of shipments particularly in Other API
- Pricing dynamics across ARV product basket stable but a bit subdued for broader API portfolio. We are moving ahead with clear cost leadership focus in key APIs and Increasing efficiency to mitigate inflation, price pressures
- Working towards expanding customer product pipeline and CMO engagement
- Filed 349 patents out of that 232 patents granted as of June'24
- Filed 86 DMFs till date

FDF

- FDF business reported revenues of ₹ 274 Cr, during Q1FY25; decreased by 4%. The segment performance declined due to lower volume offtake in ARV business while Developed market delivered good growth despite pricing pressure in US
- Anticipated Full year utilization pick up in line, supported by recent ANDA approvals
- Q1FY25 Developed market filings: 1 product dossiers filed and a total of 4 approvals received (including Tentative approvals)
- **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:** JV Company incorporated in April 2024 and to address immediate capacity needs, expansion of Oral Solids facility has been initiated in existing Vizag site including large batch sizes commercial production

BIO

- Bio business reported revenues of ₹ 43 Cr, during Q1FY25; decreased by 14%
- Q1 has been stable with continuing positive market demand dynamic in Bio-offering
- 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
- Commercial fermentation capacity (Vizag) built up on track

Earnings Conference Call

The company will organize a conference call on Thursday, July 25, 2024 at 5 p.m. IST to discuss Q1 FY25 results followed by an interactive Q&A session from participants. All participants may join the call by dialing below numbers OR by using Diamond Pass link

Conference Dial-in	
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
Express Join with Diamond Pass	Click here to register

Transcript of the conference call will be available on the Company's website: www.lauruslabs.com

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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.

For more information visit www.lauruslabs.com

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