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# LAURUS LABS PAT GROWS BY 40%, BOARD RECOMMENDS A DIVIDEND OF 15%. *LAURUS CONTINUES TO MAINTAIN ITS GROWTH MOMENTUM*

FY17 REVENUES UP 6.6%  
FY17 EBITDA grows 19.3%  
FY17 PAT grows 40.0%

**Hyderabad, May 18, 2017:** Laurus Labs Ltd. (Laurus), a leading research and development driven pharmaceutical company in India announces its Q4 & FY17 results.

## **FY17 Laurus reported:**

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- o Total Revenue rose 6.6% to Rs.18,919 mn as compared to Rs.17,746 mn
- o EBITDA higher by 19.3% at Rs. 4,461 mn from Rs. 3,740 mn
- o PAT increased 40.0% to Rs. 2,026 mn from Rs.1,477 mn
- o EPS (Diluted) for the period stood at Rs. 20 per share
- o The Board of Directors, at their meeting held on May 18, 2017, recommended a final dividend of Rs.1.50 per share, subject to the approval of shareholders.

## **Q4 FY17 Laurus reported:**

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- o Total Revenue stood at Rs. 4,666 mn as compared to Rs. 4,831 mn
- o EBITDA higher by 5.0% at Rs. 1,274 as compared to Rs. 1,213 mn
- o PAT showed growth of 39.0% at Rs. 743 mn from Rs. 534 mn
- o EPS (Diluted) for the period stood at Rs. 7 per share (not annualised)

**Commenting on the results announcement, Dr. Satyanarayana Chava - CEO said;** "I am delighted by the growth delivered by the business with strong volume expansion underlying the momentum. Laurus' growth march continues with broadening of the market in key APIs across new geographies and novel therapeutic areas. The momentum in the Synthesis business is building post commissioning of the dedicated facility for Aspen and several high-value engagements underway across various phases of clinical development.

FY17 is also special because it marks the year when we successfully started trading publicly on the exchanges. As planned the funds thus raised have been prudentially deployed towards pre-payment of Rs. 2,263 million debt.

We continue to make prudent investments in growth opportunities which are backed by inherent competence in R&D balanced with healthy accretion to earnings. In the near term we expect performance to augment due to volume gains in APIs where better manufacturing efficiencies will set the stage for margin expansions. As our integration linkages are further strengthened across Formulations and Synthesis businesses we expect a commensurate transformation in our run rate of both topline and profitability in the coming few quarters."

## **Key Business Highlights**

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### Overall

- Prepayment of Loans resulted interest cost reduction apart from reduction in cost of funds
- Capex investments in FY 17 Rs.3,155 million.
- R & D opex investments Rs.1,050 million and 5.6% as percentage of sales in FY 17.
- Unit IV expansion is in progress, the facility will add capacity to Generics API, Synthesis and Ingredients business.
- Operations at Sriam(100% subsidiary of Laurus) Unit 2 started in FY 17.

### Generic API

- Laurus in partnership with Natco has launched Velpatasivir (Hep-C) product in India in May 2017.
- As on Mar 17, the Company has filed 202 patent applications and 39 patents granted.
- USFDA inspection scheduled in May 2017 for API facility.

### Generic FDF

- Filed 3 ANDAs and in addition completed 6 product validations in FY 17.
- Capacity expansion of 5 billion tablets is in progress.
- WHO inspection completed in March 2017.
- FDF opex investments are Rs.982 million which includes Rs.335 million relating to the R& D in FY 17.
- Company received EIR (Establishment Inspection Report) from USFDA for formulations unit 2.

### Synthesis

- Unit 5 (dedicated manufacturing facility for Aspen) has commenced validations in QE 31st Mar 17.

### General

- Received National Safety Award 2016 from National Safety Council, Govt of India.
- Received Best Management Award 2016 from Govt of Andhra Pradesh.
- Received Business Excellence Award 2017 from HMTV.
- Dr. M. Venu Gopala Rao appointed as independent director and non-executive Chairman
- Dr. Ravindranath Kancherla appointed as independent director
- Mr. Krishna Chaitanya Chava son of Dr Satyanarayana Chava, CEO joined the Company as AVP Corporate Development in Apr 17

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### 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

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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 a Finished Dosage 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:

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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.

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