

July 27, 2022

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: **Investors/Analysts Presentation**

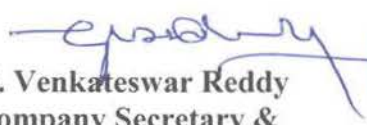
Please find enclosed the presentation to the Investors/Analysts on the Standalone and Consolidated Financial Results of the Company for the Quarter ended June 30, 2022, for the Investors/Analysts call scheduled on July 28, 2022, which was already intimated on July 21, 2022.

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

Please take the information on record.

Thanking you,

Yours sincerely,
For **Laurus Labs Limited**


G. Venkateswar Reddy
Company Secretary &
Compliance Officer



Encl: As above



Q1 FY 2023 Financial Results and Business Update

July 27 , 2022



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

The information contained in this presentation is current, and if not stated otherwise, made as of the date of this presentation. The Company undertakes no obligation to update or revise any information in this presentation as a result of new information, future events or otherwise.

This presentation is strictly confidential and may not be copied or disseminated, reproduced, re-circulated, re-distributed, published or advertised in any media, website or otherwise, in whole or in part, and in any manner or for any purpose without written approval from Laurus Labs Limited. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited.

This presentation is for information purpose only and is not a prospectus, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, as amended, or the rules made thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India.

By accessing this presentation, you accept that this disclaimer and any claims arising out of the use of the information from this presentation shall be governed by the laws of India and only the courts in Telangana, India, and no other courts, shall have jurisdiction over the same.

Agenda

- 1 Financial Overview**
- 2 Business review & Strategy**
- 3 Outlook & Guidance**





1

Financial Overview

Financial Performance 1Q/FY23

Strong start into the year

Revenues ₹ 1,539 Cr ▲ 20%

EBITDA ₹ 454 Cr ▲ 14%

1Q/FY23 Consolidated Financials

[₹Crore]	4Q/FY22	1Q/FY23	1Q/FY22	Y-o-Y	Q-o-Q
Revenues	1,425	1,539	1,279	20%	8%
Gross Margins	52.0%	57.6%	56.7%	90bps	560bps
EBITDA	398	454	400	14%	14%
% to Revenues	27.9%	29.5%	31.3%	-180bps	160bps
PBT	302	356	316	13%	18%
% to Revenues	21.2%	23.1%	24.7%		
Net Profit	230	251	241	4%	9%
% to Revenues	16.1%	16.3%	18.8%		
EPS	4.3	4.7	4.5	4%	9%

Key Highlights

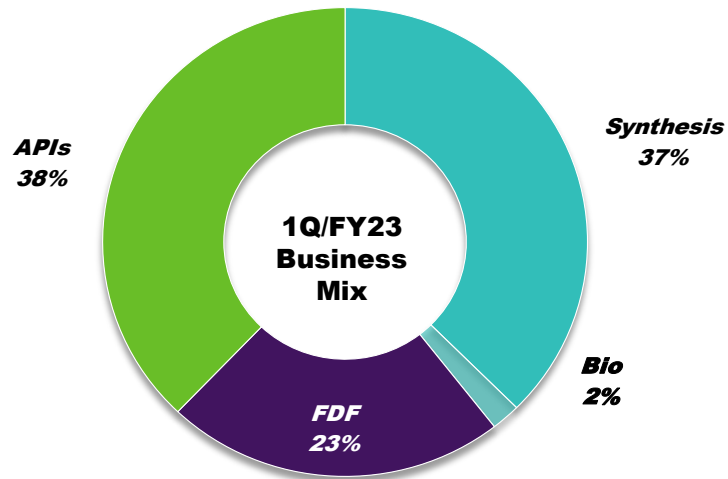
- Revenue growth of 20% YoY driven from renewed progress in Non-ARV business
- Strong quarter for Synthesis (+196% YoY), and Other APIs more than compensated for overall ARV business decline amid depressed market dynamics
- Gross Margins : 57.6%, increased by 90 bps YoY and improved by 560 bps QoQ due to better business mix
- R&D Spent : ₹ 49 Cr (3% of revenues)
- EBITDA : ₹ 454 Cr, growth of 14% YoY and increased 14 % QoQ
- EBITDA Margins : 29.5%, decreased YoY by 180 bps and improved 160 bps QoQ
- Effective Tax rate for Q1 FY 23 is 29% due to the change in SEZ profits exemption u/s 10AA to 50% from FY 23 for a period of 5 years, further evaluating to switch over to composite rate without availing any exemptions.
- Net Profits : ₹ 251 Cr, growth of 4% YoY and increased by 9 % QoQ
- Capex incurred : ₹ 209 Cr

Business Performance 1Q/FY23

Key growth led by CDMO-Synthesis and Non-Arv APIs

1Q/FY23 Segment Performance

[₹ Crore]	4Q/FY22	1Q/FY23	1Q/FY22	Y-o-Y	Q-o-Q
FDF	491	349	521	-33%	-29%
APIs	539	583	549	6%	8%
Synthesis	360	577	195	196%	60%
Bio	35	30	14	114%	-14%
Total Revenues	1,425	1539	1,279	20%	8%



Key Highlights

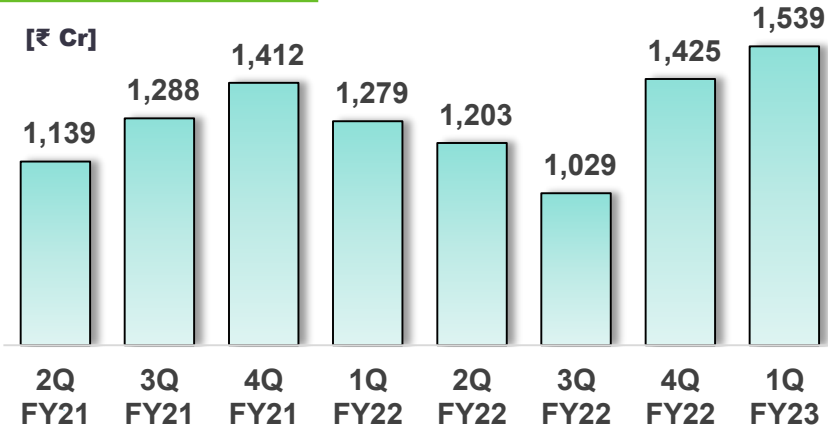
- **Formulation (FDF):** Decline 33%, primarily impacted by ARV business although volumes were stable. Taking calibrated tendering approach to ensure better profitability. Developed market growth remain stable with higher generic volumes
- **APIs:** Moderate growth of +6%. ARV APIs recovery faster than anticipated supported by channel stock easing and better volumes. Other APIs / Oncology (+79%/5% YoY) did well; continued confidence in strong outlook for FY23
- **Synthesis:** Significant growth momentum maintained (+196% YoY, +60% QoQ), led by sustained business from existing customers and Increased off-take. Substantial Mix improvement during Q1 to 37%. Expansion in CDMO capabilities on track to capture new opportunities and accelerate growth
- **Bio:** Little softer QoQ basis but do anticipate pick up with ramp-up of new capacities. Demand outlook remains strong. Evaluating few land parcels to further expand our manufacturing capabilities

Summary Quarterly Performance

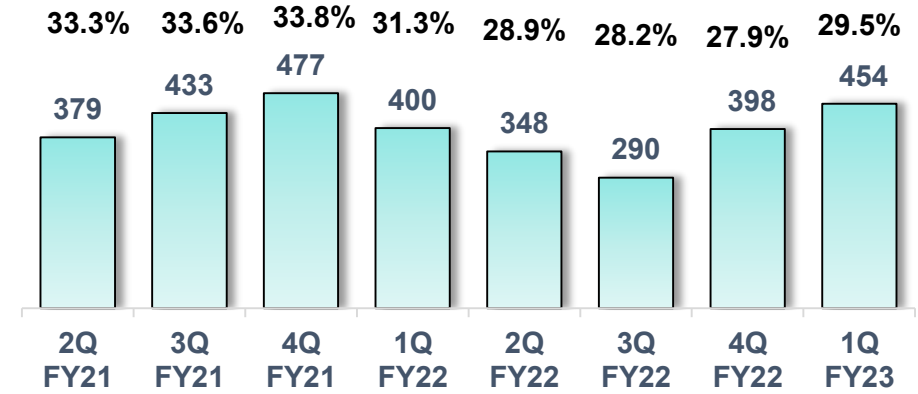
Resuming to growth trajectory



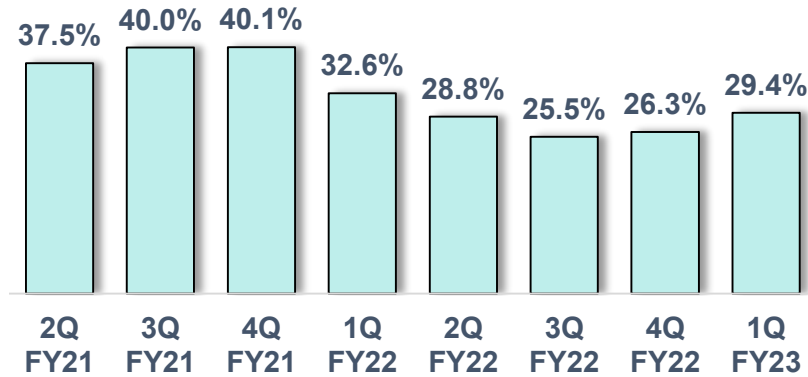
Revenues



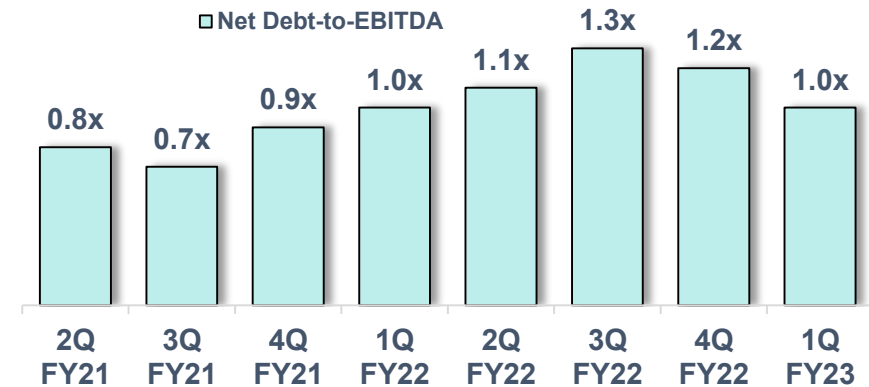
EBITDA & Margins %



ROCE



Net Leverage





2

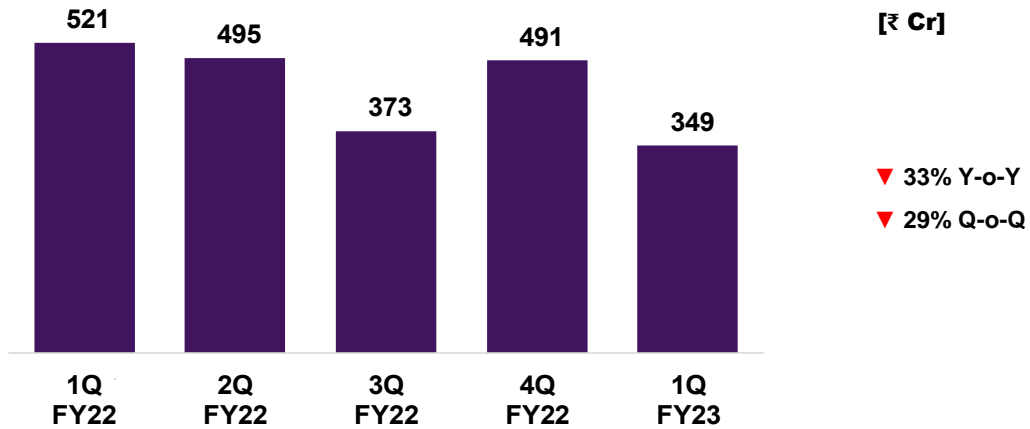
Business review & Strategy

Generic FDF

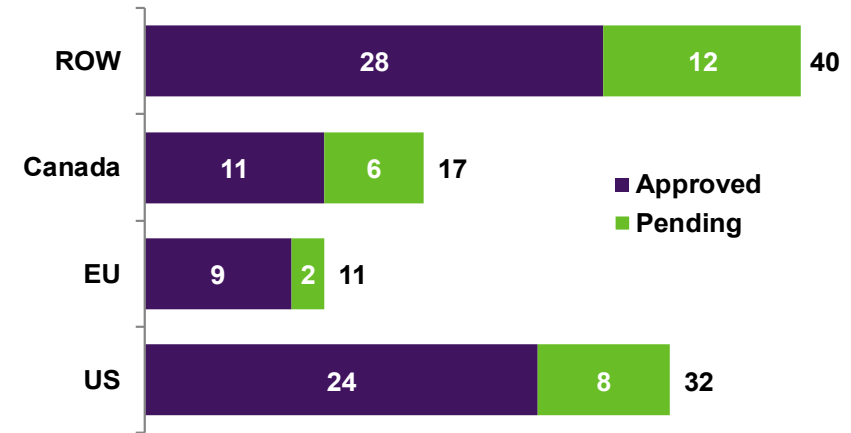
ARV business led decline



Revenue Growth



Global Filings



* Includes 13 Tentative approvals in US

Key Highlights

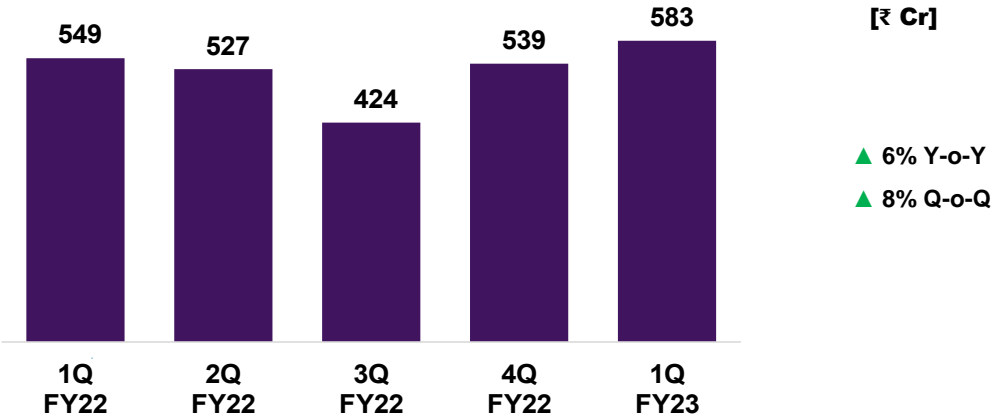
- FDF revenues declined by 33% to ₹ 349 cr, mainly dragged by lower ARV business. Taking calibrated tendering approach to ensure better profitability
- Developed market sales stable with higher generic volumes offset by pricing pressure
- **Progress on Capacity expansion:** Brownfield capacity expansion at Unit 2 commissioned during the quarter - Gradual ramp-up expected
- **Q1FY23 Developed Market (DM) filings:** 1 product dossiers were filed in Developed markets and a total of 3 approvals were received (including Tentative)

Generic APIs

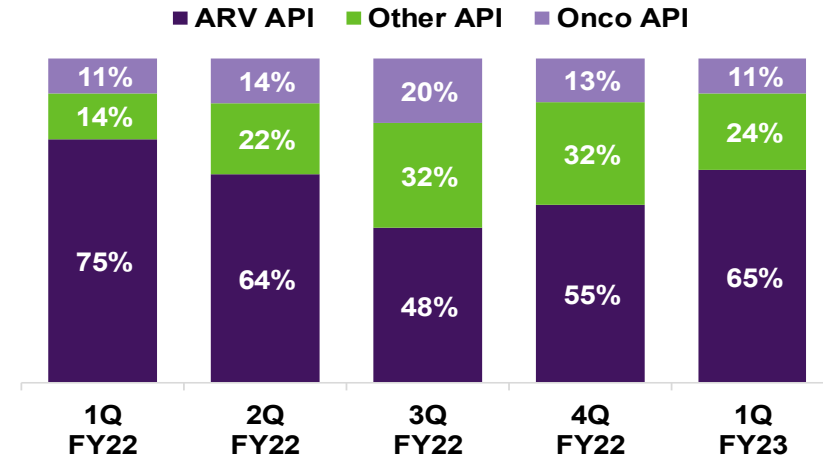
Driven from sustained rebound in ARVs while Other APIs in-line



Revenue Growth



API Sales mix



Key Highlights

- API business around stable and moderately grew 6% for the quarter at ₹ 583 cr
- ARV business continued to witness healthy sequential improvement with revenues growing +29% QoQ. This should broadly stabilise around current levels
- Other APIs sustained strong growth +79% YoY. Growth in Oncology revenues was modest +5%
- Brought new capacities on line during Q1 and Future capacity expansion in select high growth therapeutics on track. Projected Total reactor volume of +7000KL by FY23 end

CDMO - Synthesis

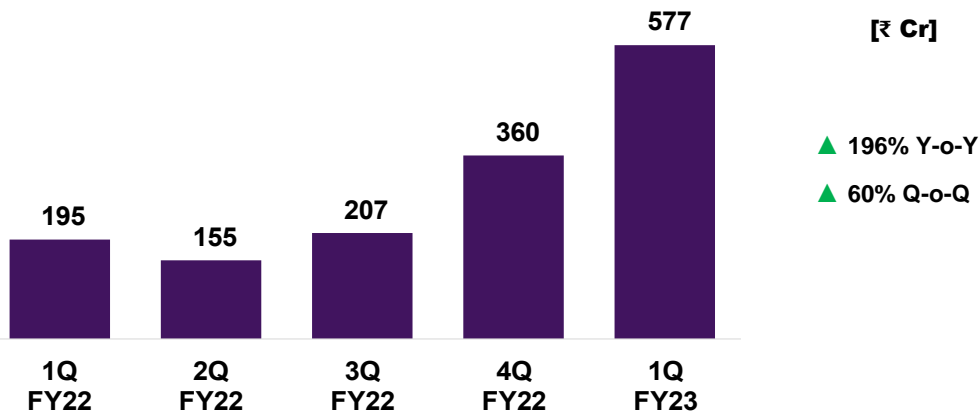
Accelerating growth on the back of Integrated CDMO model



Key Highlights

- **Accelerated growth momentum +196% YoY** during the quarter to ₹ 577 cr, supported by solid demand from new and existing clients
- CDMO Mix improved significantly during the quarter to 37% vs. 19% in FY22
- Actively **working on over 50 projects** and On-going supplies for **four commercial projects**
- **End-to-end capabilities to handle steroids, hormones, and HP** molecules apart from other large-volume products
- **Strong and Wider Customer base** across US, EU and Japan
- Continue to Attract, Train and Retain Talent to support rapid growth
- Capex on Multi-year Contract remains on fast-track
- Target to become **Self-Reliant subsidiary by FY2025**
- **Progress on capacity creation:** Construction work commenced for dedicated R&D center (FY23/24 completion) and progress on other three manufacturing units is on track (FY24/25)

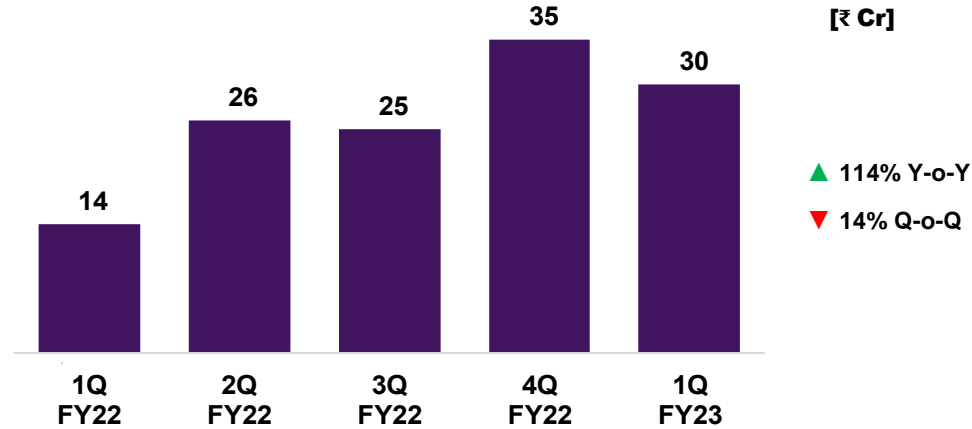
Revenue Growth



Laurus Bio

New capacities scale up to reflect through FY23

Revenue Growth



- ✓ Strong market dynamics - Alternate food protein
- ✓ Scale, cost, and functionality core drivers for differentiation
- ✓ Leverage existing Global Partnership & chemistry skills
- ✓ Plan to meaningfully enhance fermentation capability by FY24
- ✓ CDMO segment - Major growth contributor going ahead

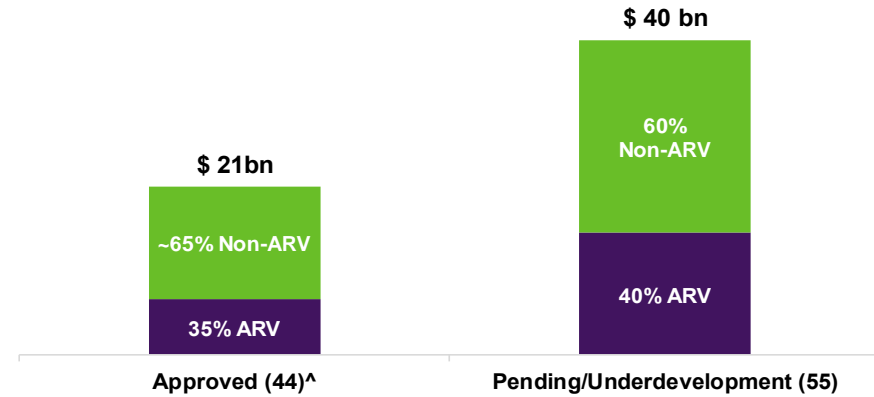
Key Highlights

- Laurus Bio segment was largely stable and clocked Q1 sales of ₹ 30 cr
- Fully operational benefits of new capacities to reflect through FY23
- Continue to work on Improving Products offering and Improving Go-to-market by leveraging relationship
- Scale, cost, and functionality will remain core drivers for differentiation and adding value to the alternative protein ecosystem
- Continue to evaluate few Land parcels with a plan to create close to 1 million liters fermentation capacity in Phase 1

R&D

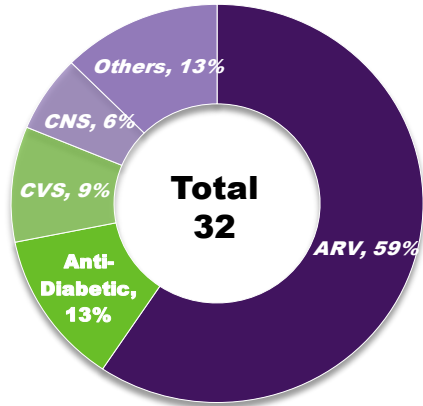
Clear focus to Create Value Centric portfolio

US/EU pipeline by Addressable market

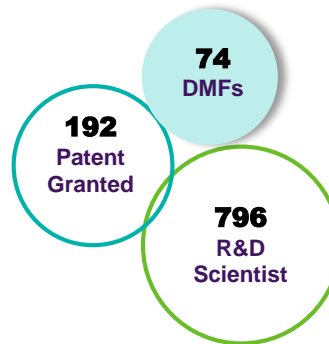


[^] Including Tentative

US Filings by Therapy Mix

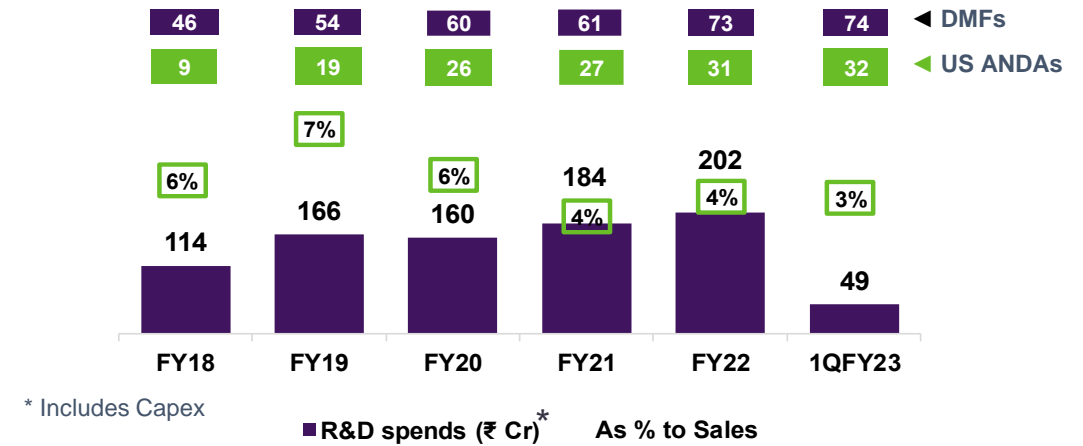


Para IV: 15
FTFs: 11



* Additionally, total filings in EU (11) & Canada (17)

R&D spent & Filing trend



Building Robust R&D Engine

- Committed to invest ~4% of the Topline; Product Specific Approach based on Complexity and Scale
- Future R&D pipeline Addressable market at US\$ 48bn+ (>70% of opportunity in Non-ARVs space)
- Total # of DM filings in Q1: 1 & Approval Received: 3 (incl. TA). Expect filing pace to pick-up in coming quarters
- Q1 R&D spend to ₹ 49 cr (3% to Sales)

Robust Regulatory track and Quality Foundation



Laurus Philosophy

“One Quality Standard for All Markets”

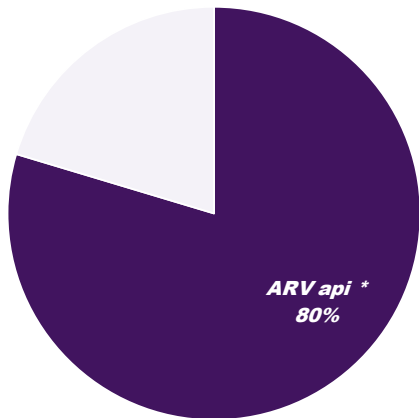
Facility	Regulatory Certifications	Year started	Last US FDA – Inspection status	No of USFDA audits (since inception)
Kilo Lab – R&D	USFDA, TGA, KFDA, PMDA, ANVISA Brazil	2008	2021 – USFDA Certificate Received (Desk assessment)	4
Unit 1	USFDA, TGA, MHRA-UK, KFDA, WHO-Geneva, PMDA, NIP-Hungary, Russian GMP, Mexican, ANVISA	2008	2019 - EIR Received	6
Unit 2	USFDA, BGV-Hamburg, WHO-Geneva, ZAZIBONA, Tanzania-FDA, NDA-Uganda, PMPB-Malawi, KENYA, MCAZ-Zimbabwe, JAZMP-Slovenia, Ethiopia-FDA, Kazakhstan, EMA	2016	2019 – EIR Received	4
Unit 3	USFDA, WHO-Geneva, NIP-Hungary, Russian GMP, Mexican, JAZMP-Slovenia, KFDA, ANVISA	2015	2019 – EIR received	4
Unit 4	WHO-Geneva, USFDA & Mexican	2018	2019 – EIR received	1
Unit 5	None	2017	Nil	
Unit 6	USFDA	2018	2018 – EIR received	1
Sriam Labs	None	2018	Nil	Nil
LSPL-1	None	2020	Nil	Nil

- **Robust Quality Culture** that achieves both Quality and Efficiency
- **Transitioning to Digital infrastructure** and improve productivity across all value chains
- 69 Customer audits Jan’22 till date
- **50 successful site audits** by International Health authorities (including USFDA, BGV Hamburg, WHO-Geneva, ANVISA Brazil, EMA), since January 2018

We continue to fundamentally diversify our Segment mix

FY 2017 (IPO)

Revenues: ₹ 1,905cr

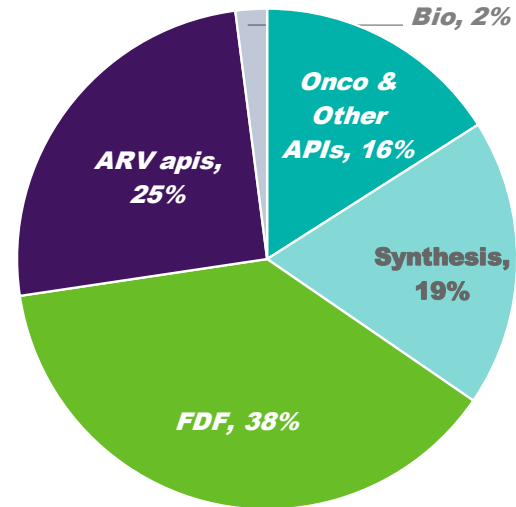


Revenues CAGR: 21%
EBITDA CAGR: 27%

Diversified without compromising on growth

FY 2022 (By Segment)

Revenues: ₹ 4,936cr



Key FY25/26 goal includes ~25% of revenues from Synthesis

New technology forayed
 ■ Recombinant Proteins (FY21)
 ■ CAR-T Cell therapy (FY22)

Continued Organic Investment in manufacturing asset, Integrated approach across portfolio, Strong quality and leadership team

* Adjusting for exceptional revenues in Hep C segment, ARV: Anti-Retroviral

Manufacturing Infrastructure (1/2)

Strong capabilities in Contract Manufacturing – a good fit to multiple strategic alliance



Jawaharlal Nehru Pharma City, Visakhapatnam



1

•API, CDMO - Synthesis

- 333 reactors with 1,232 KL capacity
- **Key Approvals:** USFDA, WHO, COFEPRIS, NIP – Hungary, KFDA, PMDA, ANVISA, TGA, MHRA-UK, Russian GMP



3

•API

- 297 reactors with 2,298 KL capacity
- **Key Approvals:** USFDA, WHO, COFEPRIS, NIP – Hungary, KFDA, ANVISA & JAZMP – Slovenia, Russian GMP



5

•CDMO - Synthesis

- 50 reactors with 151 KL capacity
- **Capabilities:** Hormone and Steroid facility

APIIC, Atchutapuram, Visakhapatnam



2

•FDF & API

- 10 bn Tablets/Capsules per year
- **Key Approvals:** USFDA, EMA, WHO, ANVISA, BfArM – Germany & JAZMP – Slovenia and African countries



4

•API, CDMO - Synthesis

- 169 reactors with 1,251 KL capacity
- **Key Approvals:** USFDA, WHO, COFEPRIS



6

•API & Intermediates

- 68 reactors with 758 KL capacity
- **Key Approvals:** USFDA

Manufacturing Infrastructure (2/2)



IKP Knowledge Park, Genome Valley, Hyderabad



•API, CDMO - Synthesis

- 43 reactors and 4.3 KL capacity
- **Key Approvals:** USFDA, KFDA, TGA, ANVISA and PMDA

Kilo Lab

Jawaharlal Nehru Pharma City, Visakhapatnam



•CDMO- Synthesis LSPL - 1

- 42 reactors + 3 All Glass Reactors w/139 KL capacity
- **Capabilities:** APIs including Ingredients, Synthesis & Contract Manufacturing

Bibi Nagar (Near Hyderabad)



•API & Intermediates

- 31 reactors with 81 KL capacity
- **Key Approvals:** WHO GMP by CDSCO

* Laurus Synthesis Pvt Ltd (LSPL)

Laurus Bio (facility acquired through Richcore)

Bangalore



•Bio-Ingredients

- Fermentation capacity of 10,750 Liters (2 reactors of 5,000 L & 3 reactors of 250 L), CDMO
- In-house QC lab- suited to microbial testing

R1








•Bio-Ingredients

- Fermentation capacity of 180K Liters (4 fermenters of 45KL)
- CDMO capabilities

R2

Investments over past 12 months and Future Projects update

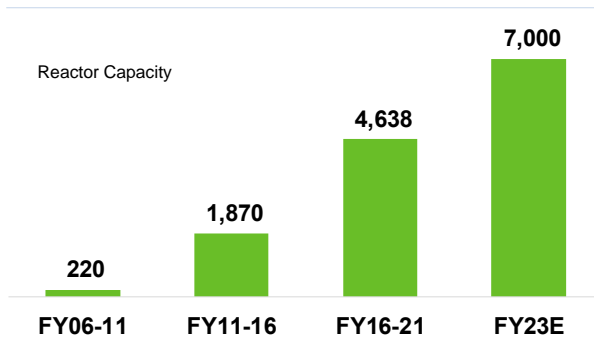
Expanding to drive Long-term sustainable growth

Division	Location	Status & Capacity	Operational
Formulation	Vizag	Unit 2 - 4 billion units (New building)	✓
	Vizag	Unit 2 - 1 billion units (De-bottlenecking)	✓
	Hyderabad 	Unit 9 Land acquired	Phase 1 – FY25
API	Vizag	Unit 3 and 4 (1,000KL) Unit 4, and 6 (+1,200KL) - initiated	✓ FY23
	Vizag 	Unit 7, 8 Land acquired	FY24/25
	Vizag	Unit 1 (LSPL)	✓
Custom Synthesis	Vizag 	Initiated construction (Unit 2 & Unit 4 - LSPL)	FY24
	Vizag 	Land acquired (Unit 3 LSPL)	FY24/25
	Hyderabad 	Initiated construction (R&D Centre LSPL)	FY23/24

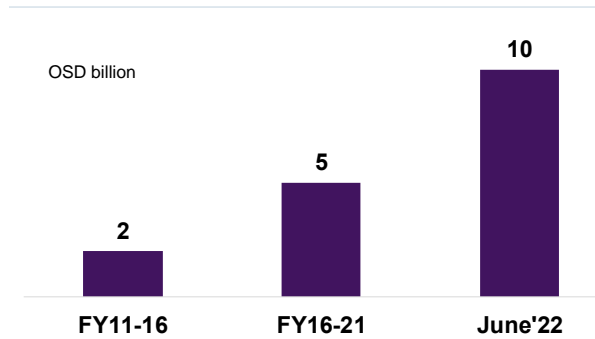
 Greenfield expansion

- New capacities brought online
- Increased Reactor vol. to ~6 million Litre
- Expanded FDF capacity during the quarter, to reach 10 billion units
- Progress on future projects on Schedule

Total Reactor Capacity



Formulations



Capacity Progress

- Strengthening multi-site manufacturing capabilities
- Well-positioned to meet fast growing global demand for NCE drug substances and drug products

ESG Standards & Recognitions | Adopting best practices for better future

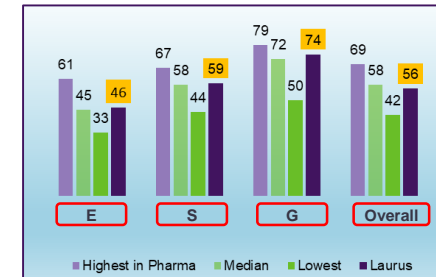
Approach

- **Sustainability approach built in our Core Value Framework** to support longer value creation
- Enhanced Process & **Focus of Material ESG** factors
- **Transparent disclosures** – Leveraged from GRI framework, IIRF & SASB guidelines
- Strictly comply With Environmental Protection Law
- At Laurus, **we support 14 out of 17 UN SDGs** & encourage all businesses to consider how they may contribute.

Accreditation & Progress

- **Well recognized by multiple agencies**
- Consecutive “**A**” rating by **MSCI ESG Ratings** - among top 20% of global pharma companies evaluated on ESG risk tolerance (*July'22 last update*)
- Continue to Refine corporate responsibility strategy to align with the SDGs
- **22% reduction in CO2 footprint** in FY22 and Incorporated New disclosures on Renewable Energy
- Climate risk assessment u/progress for setting **Science based target by FY23**
- **Increasing adoption to Renewable Energy** system on-site

Long-term commitments aligned with the following SDGs



* S&P Global CRISIL Ranking May'22, MSCI ESG Rating July'22



3

Outlook & Guidance

Outlook FY2023 & Ahead



Business Segments	Outlook & Growth Drivers
Formulations	<ul style="list-style-type: none">▪ Consolidate market share gains in ARV portfolio▪ Create niche product pipeline for the developed markets backed by in-house API strength▪ Strong pipeline (US, EU) >US\$40bn mkt opportunity; Diabetic & CV portfolio monetization from FY23▪ Ramping up of Brownfield expansion
API	<ul style="list-style-type: none">▪ Enhance positioning on HP APIs & Scaling up of Anti-diabetic, CV & PPI portfolio supported by demand based capacity expansion▪ ARV APIs: Gradual recovery expected while maintain leadership position in current product line and increased developed market supplies
Synthesis	<ul style="list-style-type: none">▪ Exciting outlook backed by new project delivery, Pipeline expansion & favorable market tailwinds▪ Leverage integrated capability in DS & DP to deepen existing relationship & Win new Clients▪ Bring on-line dedicated R&D center (FY23/24) & 3 Greenfield manufacturing unit (FY24/25)▪ Strengthen presence in Nutraceutical & Cosmeceutical area
Biologics	<ul style="list-style-type: none">▪ New capacity scale up & improved Synergies with Parent▪ Future expansion plan to create 1 million liters fermentation capacity▪ Expand the biologics CDMO at scale in the long term

Laurus Priorities FY2023

Continued focus on delivering growth and operational excellence for long-term success



Business

- Deliver on Capex Investment projects to support diversified Long term growth
- Minimize supply chain challenges and accelerate efficiency
- Widen technology portfolio and access new market opportunities
- Focus on talent attraction to support new growth projects

Capital

- Balance sheet health and Liquidity to weather unanticipated market conditions
- Efficient capital allocation strategy to build value in long run

Regulatory & Compliance

- Maintain compliance and quality leadership
- Advancing ESG measures



Recognition and Accolades



Great Place to Work

For the third consecutive time in a study conducted by the Great Place to Work® Institute



Golden Peacock Award

For Excellence in Corporate Governance 2020



Most Promising company of Year 2021

Awarded by CNBC-TV18 Indian Business Leader Awards



India Pharma Leader Award

Presented at the 6th edition of the Indian Pharma and Medical Device Awards 2020



Great Place to Work

Featured in the list of India's Best Workplaces in the Biotechnology & Pharmaceuticals category



Great Place to Work

Recognized for improving the workplace culture over the years



Business Person of the Year 2021

Awarded by Sakshi Excellence Awards



E&Y, Entrepreneur of the Year 2021

Health Care and Life Sciences Segment



AIMA Award - Emerging Business Leader of the Year 2021



ET Corporate Excellence Awards - Emerging Company of Year 2021

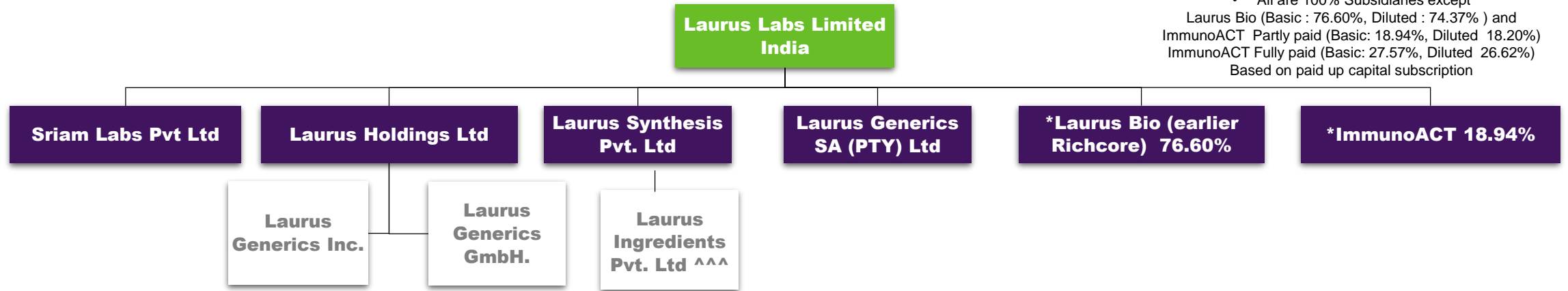


Business Today – Best CEO of Year 2021

Corporate Structure and Shareholding Details



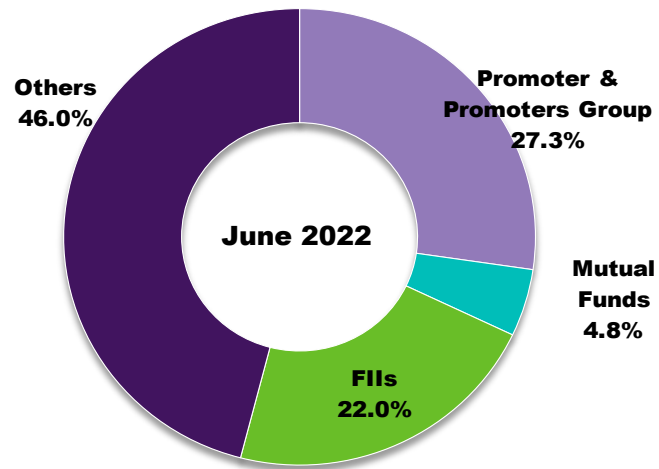
Corporate Structure



• All are 100% Subsidiaries except Laurus Bio (Basic : 76.60%, Diluted : 74.37%) and ImmunoACT Partly paid (Basic: 18.94%, Diluted 18.20%)
ImmunoACT Fully paid (Basic: 27.57%, Diluted 26.62%)
Based on paid up capital subscription

^^^ Application filed for striking off the Company

Shareholding Pattern



Top 5 Holders (Institution / Non-Promoter)

Holder	Stake
New World Fund	4.8%
Amansa Holdings	3.9%
SmallCap World Fund	3.4%
Vanguard	2.4%
LIC	2.2%

Conference Call Details



Results conference call on Thursday – July 28, 2022 at 11:00 AM IST
Details of the conference call are as follows

Location	Dial-In Details
Conference dial-in Universal Dial-In	+91 22 6280 1342
India Local access Number	+91 22 7115 8243 Available all over India
Singapore	800 101 2045
Hong Kong	800 964 448
USA	1 866 746 2133
UK	0 808 101 1573

OR

Click below to Express Join with Diamond Pass

[Click here to register](#)

About Laurus Labs

Laurus Labs is a fully integrated pharmaceutical and biotechnology company, with a leadership position in generic Active Pharmaceutical Ingredients (APIs) and a major focus on anti-retroviral, Hepatitis C, and oncology drugs. We also develop and manufacture oral solid formulations, provide contract research and manufacturing services (CRAMS) to Global pharma companies.

We are passionate about advanced chemistry skills. Our proven expertise in bringing innovative solution, manufacturing efficiencies and unwavering quality focus has won us long-standing relationship with our global customers. Laurus employs 5700+ people, including around 790+ scientists at more than 8 facilities approved by major regulatory agencies USFDA, WHO-Geneva, UK-MHRA etc. During FY2022 Laurus generated over ₹ 4,900 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, Certified Great Place to Work and Rated "A" by leading MSCI ESG Ratings. Corporate Identification No: L24239AP2005PLC047518.

Investor relations contact

Vivek Kumar

T: +91 040 6659 4366

E: investorrelations@lauruslabs.com

E: vivek.k@lauruslabs.com

For more information

Please visit our website www.lauruslabs.com



Please consider the environment before printing this Presentation

