

April 25, 2024

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
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Dear Sirs/Madam,

Sub: **Press Release**

Please find enclosed the Press Release on the financial results for the quarter and year ended March 31, 2024.

Please take the information on record.

Thanking you,

Yours sincerely,
For **Laurus Labs Limited**

G. Venkateswar Reddy
Company Secretary &
Compliance Officer

Encl: As above

Laurus Labs announces FY24 results Revenues at ₹ 5,041 Cr; EBITDA at ₹ 798 Cr

Hyderabad, April 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 Q4 & Full year FY24 results.

FY24 :

- Revenue at ₹ 5,041 crs, - 17 % (Y-o-Y) Excluding the large PO, growth of 9%
- EBITDA at ₹ 798 crs, - 50 % (Y-o-Y)
- EBITDA margins at 15.8 %
- Spend on New Initiatives (Cell & Gene Therapy, Animal Health) at ₹ 50 Cr
- PAT at ₹ 161 crs, - 80 % (Y-o-Y)
- PAT margins at 3.2 %
- EPS (Diluted) for the period at ₹ 2.9 per share

Q4 FY24 :

- Revenue at ₹ 1,440 crs, 4 % (Y-o-Y)
- EBITDA at ₹ 259 crs, - 10 % (Y-o-Y)
- EBITDA margins at 18.0 %
- Spend on New Initiatives (Cell & Gene Therapy, Animal Health) at ₹ 12 Cr
- PAT at ₹ 76 crs, - 26% (Y-o-Y)
- PAT margins at 5.2%%
- EPS (Diluted) for the period at ₹ 1.4 per share (not annualised)
- Interim Dividend of INR 0.40/- per share

Commenting on the highlights, Founder and Chief Executive Officer Dr. Satyanarayana Chava stated

“Laurus core results reflects continued resilience across our business divisions despite discontinuation of Covid related products purchase orders. We delivered underlying revenue growth of 9% driven by strong performance in FDF, CDMO, Onco API and Bio division. In the CDMO space, we are delivering on multiple RFPs involving higher chemical complexity and scale with increased customer engagement focusing on several sustainable technology platforms. Our on-going innovative CGT investment continue to report significant updates for the period under review, especially successful NexCAR19 commercial launch in India to treat cancers.

We are entering FY25 with solid foundation and remain committed to grow by focusing on R&D led commercial excellence. We are prioritizing efforts to improve margin, particularly increasing asset utilization across network and

delivering late phase commercial opportunity. At the same time, we have been investing in Laurus future and continuing to create value for all stakeholders.”

Commenting on the results, V V Ravi Kumar, Executive Director & Chief Financial Officer said;

“Overall FY24 reported operating result was challenging driven by selling price decline in ARV products, absence of large PO, and continued OPEX on growth projects/new initiatives. We achieved ₹ 5,041 crs in revenues, representing 17% decline. Excluding the large PO the underlying growth was 9% over last year. Gross margin was 51.7% and EBITDA at ₹ 798 crs resulting in 15.8% margin. The EBITDA margin for the Q4FY24 is at 18.0% and reflecting sequential improvement. Despite operational challenges, our committed capacity built-up is on track and continuing our focus on productivity improvement. Going ahead, we are fully focusing on gradually returning to growth, prioritising investments in high value segments, improving Net debt leverage while defining our strategic roadmap to ensure long-term profitable and sustainable growth. We are pleased with our Q4 sequential improvement, supported from all divisions.

Business Highlights:

Overall

- Total Income for FY24 decreased by 17% to ₹ 5,041 crs. Excluding PO, Growth was 9%
- Total Income for Q4FY24 increased by 4% to ₹ 1,440 crs (Y-o-Y)
- Full year FY24 reflect healthy underlying growth however reported performance was impacted by lower CDMO revenues, price erosion in ARV portfolio and operational deleverage
- R & D spends for FY24 reported at ₹ 241 crs, increased by 14% and stand at 4.8% of Revenues while Q4FY24 R&D spend is ₹ 69 crs, 4.8% of Revenues. Higher spends over last year partly due to additional spend towards CGT space
- Capex for FY24 reported at ₹ 700 crs; 14% of Revenues

FDF Division

- FDF business generated revenue of ₹ 1,414 crs during FY24; increased by 24% due to higher offtake in ARV business and growth in developed markets portfolio
- Q4 revenues increased by 9% YoY to ₹430 crs
- Signed JV with KRKA to enhance generic portfolio and market presence (including India market). JV involves phased investment of up to €50 million to be shared between the partners over 3 years
- With the recent US approvals , few products launches in Q4 and at least 2 under preparation phase and with continued volume share gain on established portfolio in Europe/US to drive growth
- Small molecules DP capacities at 10bn unit p.a - underlying utilization gradually moving up (incl. dedicated CMO line enhancements)
- FY24 Developed Market filings: 8 product dossiers were filed and a total of 9 approvals received (including Tentative approvals)

- Cumulatively filed 40 ANDAs in US
- Small molecules DP capacities at 10 billion unit annually - gradual ramp-up through FY24

API Division

- API business reported revenues of ₹ 2,545 crs, during FY24; decreased by 2%. The segment performance was driven by steady ARV API and positive demand in Oncology (+27%) partially offset by negative performance in other API (-22%)
- Q4 revenues increased 4% YoY to ₹ 745 crs but improved 30% QoQ, supported from growth across franchise despite continuing pricing pressure in Other APIs segment
- Constructive on Oncology portfolio, partly supported from positive market dynamics; new capacity additions implemented
- Committed to long-term growth with clear cost leadership in key APIs. Increasing efficiency focus (sourcing, cost improvement) mitigating inflation, price pressures
- Filed 342 patents out of that 228 patents granted as on Mar'24
- Cumulative DMFs filings stands at 83 as on Mar'24

CDMO-Synthesis Division

- CDMO-Synthesis business reported revenues of ₹ 922 crs, during FY24; decreased by 57%. The decline led by completion of large supply contract execution last year. Excluding the large PO underlying FY24 revenues grew by +24%
- Q4 revenues increased by 4% YoY at ₹ 236 crs
- Bio-transformation & Continuous Flow platform witnessed strong customer interest driven by rising complexity, faster time to market further fueled by increasing sustainability pressure
- Strong RFP flow continued from Big pharma & large biotech's
- +70 active projects and on-going supplies for 4 commercial APIs and several intermediates.
- US\$ 100Mn CDMO investments on track; fully contracted Animal health facility operational in Nov'23. DP solution discussion in advanced stage. R&D centre coming on line by June'24 end

Laurus Bio – Bio Division

- Laurus Bio reported revenues of ₹ 160 crs, during FY24; increased by 28%. Key growth drivers were traction in CDMO (r-protein and Growth factors)
- Q4 revenues decreased by 37% YoY at ₹ 29 crs, mainly transitional in nature due to customer order cyclicality
- R2 downstream to be fully optimized by next year (operationalized in last quarter increasing capacity by 15-20%)
- Fermentation facility at Vizag under Laurus Labs to fasten the creation of additional manufacturing facility

Changes in Board of Directors

The Company is growing and expanding into newer business areas such as CDMO business including Animal Health, Crop Sciences; Biotechnology; Cell and Gene therapy. Therefore, there is a need to groom the next generation to take up increased responsibilities and also as a part of succession planning.

Dr.MVG Rao, Independent Director and non-Executive Chairman of the Board shall end his second term on 17th May 2024. Accordingly, the Board of Directors are proposing to reorganize to take care of future requirements.

- Appoint Dr. Ravindranath Kancherla as non-Executive Chairman of the Board of Directors of the Company with effect from May 18, 2024. Dr. Ravindranath has been a member of the Board since 2017 in Independent role
- Appoint Mr. Krishna Chaitanya Chava as additional director and Executive Director.
- Appoint Ms. Soumya Chava as additional director and Executive Director
- Appoint Mr. Karnam Sekar as additional director (Independent)

Krishna Chaitanya Chava (34 years) spearheads the Synthesis division of the Company since 2017 and brings in over 10 years of experience in field of Strategic management, Business Development and Project Management. Amongst several of his contributions, supporting business diversification in the CDMO-Synthesis has been truly noteworthy which has become the top profit generator in the company today and poised to contribute significantly in the near future. He currently serves on the Board of Laurus Synthesis (LSPL), Sriam Labs, Chemiasoft, and Laurus Specialty Chemicals. He received his Master of Mechanical Engineering from North Carolina State University in 2013. He later received PGP MFAB from Indian School of Business, Hyderabad. Before joining Laurus, he spent about three years at Dr Reddy Laboratories where he was working with the team for Domestic Formulations Strategy of the company

Soumya Chava (37 years) joined the company in August 2023 as Head (Commercial). She brings in extensive experience from her career spanning over 12 years and currently oversees the commercial functions comprising of Supply chain management, as well as Business development for Generics. She also heads CSR initiatives of the Company. Within a short span of time, she has played a key role in helping the Company to implement global procurement practices and leading several commercial engagements on Generics portfolio. She is serving as Director on Board of Laurus Synthesis (LSPL) since 2021. She received her Bachelor of Pharmacy from Osmania University in 2007. She later received her Master's in Clinical Research and also a Masters in Business Administration from Campbell University, NC, USA and PG Diploma in Patents Law from Nalsar University of Law, Hyderabad in 2011. Before joining Laurus, she gained experience in Clinical trial management in Quintiles Transnational and Laurus Infosystems.

Karnam Sekar is a business leader with more than four decades of rich experience in the Financial Services industry and with extensive knowledge of Corporate Finance, Treasury Management and Stressed Asset Management. He is currently serving on the board of Incred Financial services, Incred Prime Finance and UGRO Capital, Incred Holdings Ltd. Initially, He joined State Bank of India in 1983 as a Probationary Officer and rose to the level of Deputy Managing Director. He was selected as Managing Director of two Public Sector Banks viz., Dena Bank and Indian Overseas Bank, during very critical juncture of their history. He was the Chairman of the board of National Asset Reconstruction Company NARCL (May 2022-August 2023)

About Laurus | Founded in 2005, Laurus Labs is a research-driven pharmaceutical and biotechnology company with an aim to improve the quality of life for millions around the world. We have a global leadership position in select Active Pharmaceutical Ingredients (APIs) including anti-retroviral, oncology drugs (incl High Potent APIs), Cardiovascular, and Gastro therapeutics. We also offer integrated CMO and Contract Development and Manufacturing Organization (CDMO) services to Global Innovators from Clinical phase drug development to commercial manufacturing.

We are passionate about continuous technological advances for Smart and Green chemistry skills to drive efficiencies and sustainable manufacturing backed by proven regulatory inspection and quality foundation. Laurus employs 6700+ people, including around 1,100+ scientists at 12 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.

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

Investor Relations

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