

**Laurus Labs Limited**  
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October 31, 2019

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| To<br><br>The Corporate Relations Department<br>BSE Limited<br>Phiroz Jeejeebhoy Towers, 25 <sup>th</sup> Floor,<br>Dalal Street<br>Mumbai – 400001<br><br><b>Code: 540222</b> | To<br><br>The Listing Department<br>National Stock Exchange of India Limited<br>Exchange Plaza,<br>Bandra Kurla Complex, Bandra (East)<br>Mumbai – 400 051<br><br><b>Code: LAURUSLABS</b> |
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Dear Sirs,

**Sub: Press Release**

Please find enclosed herewith the Press Release on the Financial Results for the Quarter and Half-year ended September 30, 2019.

Please take the information on record.

Thanking you,

Yours sincerely,  
**For Laurus Labs Limited**

**G. Venkateswar Reddy**  
**Company Secretary**



*Encl: As above*

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## **LAURUS LABS TOTAL INCOME FROM OPERATIONS CROSSES INR 700 CRS IN Q2 FY20**

### **COMPANY'S INVESTMENTS ON INFRASTRUCTRE STARTED REAPING RESULTS**

**Q2 FY20 Revenues up 21%**

**Q2 FY20 EBITDA margins improved to 20%**

**Q2 FY20 PAT margins at 8%**

**Hyderabad, October 31, 2019:** Laurus Labs Ltd. (Laurus BSE: 540222, NSE: LAURUSLABS, ISIN: INE947Q01010), a leading research and development driven pharmaceutical company in India announces its Q2 & H1 FY20 results.

#### **Q2 FY20 Laurus reported:**

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- Consolidated Revenue at INR. 7,124 mn, up 21% (Y-o-Y) and 29% (Q-o-Q)
- EBITDA INR 1,391 mn, up 61% (Y-o-Y) and 60% (Q-o-Q)
- EBITDA margins at 20 %
- PAT at INR. 566 mn, up 249% (Y-o-Y) and 275% (Q-o-Q)
- EPS (Diluted) for the period at INR. 5.3 per share (not annualised), up 253% (Y-o-Y) and 279% (Q-o-Q)

#### **H1 FY20 Laurus reported:**

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- Consolidated Revenue at INR. 12,630 mn, up 12% (Y-o-Y)
- EBITDA INR 2,261 mn, up 34% (Y-o-Y)
- EBITDA margins at 18 %
- PAT at INR. 716 mn, up 118% (Y-o-Y)
- EPS (Diluted) for the period at INR. 6.7 per share (not annualised), up 116% (Y-o-Y)

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

*"The quarter's performance demonstrates our ability to execute our long term strategy, with enhanced revenue contribution from Formulations business contributing positively to both top line and margins. The LMIC tender business remains a major part of the FDF strategy along with developed markets of North America and Europe.*

*We have recorded robust growth across most of our divisions. Other API division showed a strong growth during the quarter on the back of increase in new product additions; with Oncology and Synthesis maintaining their growth momentum. With the impending shift in the treatment regimen in South Africa, we are witnessing a slowdown in sales in ARV API business for FY20.*

*On the regulatory side, we have received EIRs for our Units 1 & 3. Unit 4 successfully completed its maiden USFDA audit with Zero observations also received EIR. We remain committed to highest level of Compliance & Quality. With our EBITDA Margins at 20% I am very confident that our performance is back on high growth track.”*

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

*“Our Total Revenues from Operations came in at INR 7,124 mn. With the improved revenue and better product mix our Gross Margins continue to improve. Our EBITDA margins also showed a significant improvement at 20% for Q2 FY20. The growth in EBITDA was led by higher Operating Leverage and also with softer key Raw Material prices from China. We are encouraged by the robust growth seen in FDF and Other API business resulting in higher utilization of our new Units - 2 & 4. With the focus solely being on growth and improvement in Operating Leverage, we remain confident of improving our return ratios and also achieving FCF positive status from FY21.”*

**Business Highlights:**

**Overall**

- Total Income at INR 7,124 mn in Q2 FY20 growing by 21 % (Y-o-Y)
- Total Income at INR 12,630 mn in H1 FY20 growing by 12 % (Y-o-Y)
- R & D spent of INR 802 mn and 6.4% of sales in H1 FY20.

**Generic FDF**

- Generic FDF business recorded significant growth for the quarter and H1 FY20.
- The growth in the quarter was led by higher sales from tender business in LMIC; having strong order book for coming quarters
- Sales from North America and EU contributed significantly
- Contract manufacturing revenues from EU region improved in Q2 FY20.
- Received approval under ERP for TLE<sub>400</sub>
- US partner Launched Pregabalin in July 2019, having good double digit market share
- 3 product validation completed for formulation apart from filling of 21 ANDAs & NDAs

**Generic API**

- Filed 247 patent applications and 98 patent granted as on Sept 30, 2019
- Unit IV completed its maiden USFDA Inspection – EIR Received
- Units 1 & 3 underwent successful USFDA inspection – EIR Received

**Synthesis & Ingredients**

- State-of-the-art cGMP facilities to manufacture NCEs
- Integrated projects across platforms as the molecule develops from Pre-Clinical to Commercial supplies
- Working with Global clientele – Large, mid and small biotech companies

*-ENDS-*

### About Laurus Labs Limited

Laurus Labs is a leading research driven Pharmaceutical Manufacturing Company in India. We have grown to become one of the leading manufacturers of API for Anti-Retroviral (ARV), Oncology, Cardiovascular, Anti-Diabetics, Anti-Asthma and Gastroenterology. We are thriving on growth opportunities in formulation manufacturing to service all leading markets of North America, Europe and Low Middle Income Countries (LMIC). We are driving growth opportunities in Contract Development and Manufacturing through our Synthesis business. Most of our manufacturing facilities are approved by major regulatory authorities USFDA, WHO-Geneva, UK-MHRA etc. Our approach remains to identify and invest ahead of time with strategic investments in State-of-the-Art R&D and Manufacturing Infrastructure enabling us to become a quality supplier of high volume products. **Corporate Identification No: L24239AP2005PLC047518**

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

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**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.